

# **Fair trade and community empowerment: the case of sugar producers in Malawi**

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# Abstract

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Whilst there have been many accounts of success stories of fair trade in a variety of low income producer communities, there have been few critical accounts that examine the varied lived experiences of people in such communities. This thesis advances a developing critical literature by exploring reasons for unequal and uneven experiences of members of a Fairtrade certified producer organisation. As fair trade has expanded into new commodities and countries, both sugar and Malawi have to date been under-researched. This thesis addresses these gaps by focussing on Kasinthula Cane Growers Limited (KCGL) in southern Malawi.

Developing a critical reflection that incorporates postcolonial and post-Marxist critiques, the thesis problematises definitions and assumptions regarding empowerment as a people-centred development approach and community as a cooperative social and political formation. This reflection is used to expand existing analytical frameworks to create a Postcolonial Agricultural Production Network as a framework to focus on a complex geography embedded in a local postcolonial production place. Doing so opens space to explore uneven geographies of production and empowerment shaped by embedded social and political factors. By un-masking inequalities, hierarchies, and dependencies in the institutional environment of a producer community, and incorporating perspectives from a range of producers, both intended and unintended outcomes from Fairtrade certification are examined.

The thesis reveals that despite fair trade intentions to promote democracy, transparency, and participation, unintended consequences of exacerbating inequalities and discrepancies between low income producers, and over expectations of an impoverished society, have led to variable experiences of fair trade. Identifying sites of local inequality and unable and unwilling agents of empowerment highlights the important role of place in analysis. This demonstrates how embedded social and political formations in a particular place shape different experiences of fair trade. The findings propose a lesson to incorporate a more nuanced understanding of place in fair trade approaches that challenge assumptions of harmonious producer communities to sharpen focus on embedded inequalities and uneven producer community landscapes.

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# Acronyms

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ANT	Actor Network Theory
ADMARC	Agricultural Development and Marketing Corporation
ACP	African, Caribbean, and Pacific
ATO	Alternative Trade Organisation
ADC	Area Development Committee
ABF	Associated British Foods
CSA	Cane Supply Agreement
CMO	Common Market Organisation
CSR	Corporate Social Responsibility
DFID	Department for International Development
DSB	Dispute Settlement Body
DA	District Assembly
DEC	District Executive Committee
DoP	Division of Proceeds
DCGL	Dwangwa Cane Growers Limited
EOL	Eastern Outgrowers Limited
ERC	Estimated Recovery Crystal
EU	European Union
ELG	Export Led Growth
FPC	Fairtrade Premium Committee
FSP	Fairtrade Social Premium
FLO	Fairtrade Labelling Organisation
FTO	Fair Trade Organisation
FGD	Focus Group Discussion
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GCC	Global Commodity Chain
GPN	Global Production Network
GVC	Global Value Chain
GAP	Good Agricultural Practice
GoM	Government of Malawi
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries Initiative
ISI	Import Substitution Initiative
IBRD	International Bank for Reconstruction and Development
ICA	International Commodity Agreement

IFAD	International Fund for Agricultural Development
IFAT	International Fair Trade Association
ILO	International Labour Organisation
IMF	International Monetary Fund
KCGL	Kasinthula Cane Growers Limited
LDC	Less Developed Country
MGDS	Malawi Growth and Development Strategy
MoT	Ministry of Trade
MMW4P	Make Markets Work For the Poor
MT	Metric Tonnes
MNC	Multi-National Company
NGO	Non Governmental Organisation
NSO	National Statistics Office
ODI	Overseas Development Institute
PAPN	Postcolonial Agricultural Production Network
PRSP	Poverty Reduction Strategy Papers
RBA	Rights-Based Approach
SADC	Southern African Development Community
SVCGT	Shire Valley Cane Growers Trust
SAP	Structural Adjustment Programme
SSA	Sub-Saharan Africa
Sucoma	Sugar Corporation of Malawi
SHD	Sustainable Human Development
SLF	Sustainable Livelihoods Framework
TA	Traditional Authority
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UK	United Kingdom
US	United States
VDC	Village Development Committee
VLC	Village Land Committee
WFP	World Food Programme
WFTO	World Fair Trade Organisation
WTO	World Trade Organisation



# Chapter 1

## Introduction

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### 1.1 Why research fair trade?

Food products and agricultural commodities have been traded across the world for centuries. As trading flows have intensified in recent decades (Fold and Pritchard, 2005), there has been an increase in the knowledge of some perceived problems associated with global trade and production. These include continued wealth inequalities, uneven geographies of power, and labour injustices that negatively impact on agricultural commodity producers in low income countries. Increased knowledge of these issues has been generated by civil society movements such as fair trade and presented to those who consume various food and handicraft products in high income countries such as the UK.

Fair trade is an approach that aims to make trade work more favourably for low income producers (farmers or artisans) and workers (hired labour) whose outputs are traded and consumed globally. The approach highlights perceived problems such as exploitation, marginalisation, and exclusion from benefits of global market participation. As such, it is a theoretical and practical alternative to the dominant global free trade agenda (Low and Davenport, 2005) promoted by global institutions such as the World Bank. In theory, access to consumer markets under fairer trade conditions will help to increase incomes and contribute towards social, economic, and environment development opportunities. In this context fair trade accepts, as Barratt-Brown and Tiffen (1992: 17) suggest, that ‘foreign trade is necessary for development but current structures must be altered to ensure that [producers] obtain a larger share

in the value of what they produce'. Fair trade aims to affect such change through promotion of alternative trade rules to drive transformations.

This research examines the impact of fair trade on two aspects the approach aims to affect: producer empowerment and community development. The principles and tools employed to affect these aspects will be explored in this thesis through the concept of community empowerment. Both terms, community and empowerment, are explored, critiqued, and defined for the purposes of this research to explore fair trade impact. It contributes empirical evidence concerning lived experiences of fair trade to reveal some intended and unintended consequences at a site of production. The research is embedded in the contexts of competitive global sugar markets and a low income rural community in Malawi, one of the poorest and most marginalised economies in Sub Saharan Africa. More broadly, the research contributes to critical debates regarding assumptions and expectations of low income producer communities and theories of community and empowerment to move the focus on governance of production networks and development from the global to the local.

## **1.2 Fair trade definition and origins**

Fair trade is defined as 'a response to the failure of conventional trade to deliver sustainable livelihoods and development opportunities to people in the poorest countries of the world' (FLO, 2009a: 3). The fair trade movement believes that trade can drive poverty reduction and sustainable development when production and trade are in accordance with principles captured in the following accepted fair trade definition:

A trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade. (FLO, 2009a: 4)

To clarify, the term 'fair trade' refers to the broad concept of more equitable trading relations for low income producers and workers. The fair trade movement comprises a

global network of Fair Trade Organisations (FTOs) who trade, support, and influence according to the principles of the movement defined above. The World Fair Trade Organisation (WFTO) is the global network of FTOs, including Traidcraft. The term 'Fairtrade' refers to the producer certification and product labelling system controlled by the Fairtrade Labelling Organisation (FLO) and its member organisations (Barrientos and Dolan, 2006: 6). Members of the FLO network include FTOs but also many non-FTOs who are licensed to purchase, process, and sell Fairtrade certified products. These include some large multi-national companies (MNCs).

The FLO, together with worldwide partners including the WFTO and its members, share a set of core principles that guide their operations in both Fairtrade certified and non-certified fair trade markets.<sup>1</sup> The shared core principles include market access for low income producers, sustainable and equitable trading relationships, capacity building, empowerment, partnership, and transparency (FLO, 2009a). In discussing fair trade in this thesis I use the term Fairtrade when specifically referring to the certification process of the FLO, otherwise I use the term fair trade in reference to the movement and common principles.

In the global north fair trade as a campaign movement and an ethical consumer market has grown significantly in recent decades. Recent drivers for increased campaigning include a range of neoliberal policies introduced since the 1980s which are widely understood to have contributed to crises in commodity prices such as coffee and the removal of state marketing boards that previously purchased such commodities. A combination of such factors expose many low income producers to the operations of global markets with little support or power to be able to affect their returns from commodity sales. It is against this backdrop that a range of faith-based and secular FTOs and Alternative Trade Organisations (ATOs) have emerged since the late 1940s.

The first Fairtrade labelled product for sale was coffee in the late 1980s followed by tea and cocoa and subsequently products including bananas, wine, and sugar. From its modest beginnings, global fair trade sales of principally food and handicraft products

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<sup>1</sup> Typically Fairtrade markets include agricultural commodities such as coffee, cocoa, and sugar whereas fair trade markets include non-labelled goods such as handicrafts.

reached €2.65bn by 2007 (FTAO, 2008). This is a result of the work of organisations and networks, such as those mentioned above, and the FLO. Since the establishment of the FLO in 1997, the volumes and variety of goods sold through Fairtrade markets has increased significantly.

### **1.3 Research approach and contributions**

With the growth of fair trade over time, the research on the impact of fair trade on low income producers has increased. The majority of that has focussed upon producer communities involved in the production of coffee, tea, cocoa, and bananas in a number of countries.<sup>2</sup> To date both Malawi as a marginalised African country and sugar, a more recent product category entrant to the fair trade arena,<sup>3</sup> have so far received limited critical enquiry. It is the purpose of this research to change that and add to the growing depth of knowledge as Fairtrade expands to incorporate more commodities and countries.

The dynamics of production and trade of sugar cane contrast to commodities researched to date, and therefore by incorporating such factors this thesis extends knowledge of the impacts and challenges facing fair trade as it aims to empower communities producing commodities new to the Fairtrade system. Furthermore, the specific circumstances of Malawi's colonial and postcolonial history have shaped a unique set of social and political institutions that enable and constrain different members of society from empowering themselves and others. Therefore, incorporating specific contextual factors related to both sugar cane and Malawi should extend knowledge of the reasons for variable lived experiences of fair trade by different members of producer communities.

#### **1.3.1 Multi-scalar enquiry**

By using a model that connects consumption and production of commodities to promote people-centred development, fair trade aims to harness globalisation that is seen not as static, but rather as a fluid series of interdependencies between global and local processes. This conceptualisation of globalisation as a phenomenon to be viewed

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<sup>2</sup> For instance see the work of Bacon (2004), Dolan (2008), Moseley (2008), Murray et al (2003), Ronchi (2002), Shreck (2005), Tallontire (2000), and Taylor (2005).

<sup>3</sup> Fairtrade sugar is now bought by a range of companies from larger ones such as Unilever (Ben and Jerry's) and Tate & Lyle to smaller ones such as Divine and Ubuntu.

as a complex set of interrelated processes has been promoted by economic geographers such as Amin (1999), Dicken (2003), and Thrift (2002). There are numerous debates regarding globalisation as a phenomenon.<sup>4</sup> As a starting point, Dicken (2003) distinguishes between internationalisation that refers simply to the increasing geographical spread of economic activities (such as trade and investment) across national boundaries, and globalisation. Globalisation encompasses a broader definition that includes processes generating inter and intra-national flows of finance, knowledge, technology, and people as economies and societies become increasingly integrated. In this view globalisation is a transformational process where analysis of the interdependence of global and local hybrid processes can identify complexities for research, such as how particular economic sites may work for the participants and make commodity flows more visible. By viewing global and local processes relationally, it is possible to identify numerous social and political relations that have shaped and continue to affect different places in different ways.

This thesis will apply such a transformational view of globalisation as comprising many multi-scalar processes imbued with numerous contextually determined social and political specificities, meaning that geography should be central to the analysis. Such a view has informed the recent work of Neilson and Pritchard (2009) who state that adopting a relational perspective allows for an examination of ‘actually occurring globalisation’. In other words, this thesis examines not just structures, but how multi-scalar processes are impacting upon and within production communities.

### **1.3.2 Community empowerment focus**

As identified, fair trade is a response to perceived injustices in conventional global trade and production of many agricultural commodities from lower income countries. By promoting alternative trade and social justice, fair trade aims to make trade work more for low income producers. As part of an approach to achieve that, fair trade consumer messages, certification standards, and FTO statements are imbued with discourses of empowerment of producers and their communities. This has been noted, for instance, by Nicholls & Opal (2005: 6) who identify one of the primary objectives of fair trade as being to ‘empower producers to develop their own businesses and wider communities’. This follows similar identifications of empowerment as a

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<sup>4</sup> For more on these debates see Castells (1996), Dicken (2003), and Ohmae (1995).

fundamental element of fair trade by Moore (2004) and Taylor (2005) and therefore as an important aspect to be understood and monitored within impact studies.

Despite the increased use of the terms community and empowerment, to date there has been little work to un-pack them critically. In fair trade practice the approach to empower consists of payment of a fair price and strengthening of producer organisations (Ronchi, 2002) through support from FTOs to help build capacities of others. However, critically this does not often include assessment of the specific embedded governance and institutional environment in which fair trade practices enter, or associated analysis of uneven and unequal producer communities, the constitution of which affects empowerment outcomes. In arguing for such analysis this thesis develops and presents a framework to do so and examines contextually defined lived experiences of fair trade.

### **1.3.3 Postcolonial agricultural production networks**

The critical and analytical frameworks developed in this thesis draw from a range of literatures to contribute to intersections between postcolonial thought, development geography, and economic geography disciplines. Principally I draw upon post-Marxism, postcolonial geography, and institutional literature to extend a Global Production Network (GPN) framework to incorporate a critical focus on local production networks. In this thesis I develop this to be an original Postcolonial Agricultural Production Network (PAPN) analytical framework.

Fair trade arguments for redistribution, social justice, and political fairness are informed by Marxist critique. In my critical framework a post-Marxist lens is incorporated to move critique beyond macro political economy and class analyses. A post-Marxist lens highlights sites of disempowerment, exploitation, exclusion, and inequality at a local level in addition to the global scale at which fair trade campaigns begin.

In local places that contain sites of inequality and exclusion, a postcolonial geographical enquiry focuses upon colonial legacies and silenced voices to seek reasons for continued instances of uneven experiences of trade and development. First, it presents a critical response to continuing effects of colonial legacy

consequences in postcolonial places that were previously under colonial rule. Second, it enables a critical reflection to problematise assumptions of postcolonial places and people and unexamined definitions of producer, community, and empowerment as a people-centred development approach. This reveals a complex geography of local unevenness and inequalities to identify reasons why fair trade is experienced in different ways by different members of a producer community. Third, methodologically a postcolonial approach incorporates perspectives of those subordinated and normally excluded from consultation and participation.

The complex environment that shapes the lives and livelihoods of a low income producer community is explored by focussing on both formal and informal institutions. Those institutions are found at multiple scales and combine to generate a specific environment in which a producer community is embedded. The PAPN framework developed in this thesis increases attention on the role of the local social and political environment in shaping lived experiences of fair trade.

#### **1.3.4 Unequal and heterogeneous producer communities**

Exploring lived experiences of fair trade through a PAPN framework generates findings, arguments, lessons, and conclusions that are also starting to emerge in critical fair trade research (for instance Dolan, 2008 and 2010; and Luetchford, 2008). These include arguments to reduce assumptions of other places and instead foreground issues related to exclusion, discrimination, inequality, and tensions between individual needs and the common good of a community. This increases focus on issues of political economy at the level of production sites, developing upon earlier attention on issues of political economy at a global level in fair trade research.

In addition to that series of research, an enquiry using a PAPN framework developed in this thesis extends research beyond the small-scale producer group to introduce the local social and political context in which the group is embedded and incorporate perspectives from others embedded in the postcolonial society (such as village residents, NGOs, and district officials). It brings into focus the influential role of historical factors and continuing legacies and dependencies and extends arguments by exploring the role of local social and political complexities and hierarchies in shaping uneven and unequal experiences of fair trade locally.

## 1.4 Case study and research questions

To explore varied lived experiences of fair trade grounded in context, a case study was selected from which interpretations have generated the central themes and arguments of this thesis, such as a need to consider uneven local social and political geographies. The selection of the case study, research proposal, and funding for research were secured through collaboration between Newcastle University and Traidcraft Plc. That collaboration as an ESRC CASE studentship included supervision throughout the research process from both partners. The specific enquiry focussed upon the case of Kasinthula Cane Growers Limited (KCGL) in the southern Malawian district of Chikwawa.



**Figure 1.1 Map of Malawi and Kasinthula<sup>5</sup>**

KCGL joined the list of Fairtrade certified sugar producers in 2002. This small-scale sugar outgrower scheme was the first group to receive such certification in Malawi. Initiated in 1996 by the Malawian government in collaboration with a commercial partner (Illovo), KCGL operates as a scheme to empower small-scale producers to participate in the commercial production of sugar cane. Since supplying sugar to the Fairtrade market, KCGL receives US\$60.00 per tonne as a Fairtrade Social Premium

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<sup>5</sup> <http://www.communityfoodenterprise.org/case-studies/international/kasinthula-cane-growers-limited>



(FSP). This goes directly to a Fairtrade Premium Committee (FPC), who make decisions regarding ‘community projects’ in which to invest the money (Powell, 2004). That committee is a focus of empirical attention in Chapters Six and Seven.

Before this research the FSP had been used to fund a borehole, health clinics, and schools, with further projects planned through the period of my studentship. It was therefore timely to conduct research in order to establish the detailed social and economic impacts of such projects on the small-scale producers, their families, and related communities. It is important for all stakeholders in this production network to ensure that the FSP is generating social and material benefits for the recipients. The evidence from this research contributes to that knowledge and advances critical debate on the links between fair trade and community empowerment.

The focus of this research is to explore and critique assumptions contained within fair trade approaches to community empowerment, and reasons for unintended as well as intended impacts since Fairtrade certification. From this case study enquiry the thesis identifies theoretical critiques and points for reflection to be considered by fair trade practitioners regarding fair trade and community empowerment. It highlights a critique to incorporate a more nuanced understanding of postcolonial production places to increase focus on embedded social and political factors. This informs a wider process of continuous learning in the field of fair trade.

To facilitate this process, the thesis seeks to provide answers to the following questions:

1. What critical and analytical frameworks help to inform an understanding of challenges facing fair trade and community empowerment approaches?
2. Using a PAPN framework, in what ways are these challenges reflected in varied, uneven lived experiences of fair trade?
3. What do the perspectives of multiple producers in this case study tell us about lived experiences of fair trade and factors that influence uneven and unequal impacts of fair trade in postcolonial places?
4. What lessons for fair trade regarding empowering others can be drawn from the findings of this research?

## **1.5 Thesis outline**

Following this introductory chapter, in Chapter Two I introduce and develop a critical framework for this thesis to critique people-centred approaches that aim to empower others. With reference to emerging literature in development geography on the intersections between post-Marxist and postcolonial critiques, I argue that such a hybrid framework is necessary to highlight embedded social and political factors that may enable or constrain people-centred interventions. This framework facilitates critical analysis of both contemporary and historical trade and development programmes. Furthermore it is shown how the construction of a critical postcolonial and post-Marxist reflection problematises people-centred development to present a number of challenges to fair trade. Those challenges are to avoid the pitfalls of essentialising producer communities, making assumptions of others, dictating blindly, and being unaware of uneven and unequal relations at the local scale in a production place.

In Chapter Three I develop an appropriate analytical framework for understanding and analysing complex global agricultural production networks and embedded contexts of uneven relations in postcolonial places. I present and review various approaches that have been developed over recent decades to analyse governance and institutions in contemporary global commodity networks. The review culminates with an argument to adopt many of the facets of a GPN approach that emphasises the need to analyse forms and degrees of governance and embedded institutions. I propose an extension to the GPN framework to facilitate analysis of an embedded, uneven local context. That extension incorporates postcolonial thought, post-Marxist critique, and institutional analysis to foreground contextual factors that shape local governance geographies, labour geographies, and wealth distributions.

I present and analyse secondary material in Chapter Four to outline the context of the case study for this research where many people are unable to participate politically and economically due to a number of factors including issues of subordination, hierarchies, dependencies, and inequalities. After presenting contextual details of Malawi and sugar cane, I outline the alternative trade rules that fair trade promotes. This begins a more detailed exploration of Fairtrade empowerment aims and strategies, including how they are operationalised in practice.

Chapter Five presents the methodology and methods used to collect empirical data in Malawi. I discuss the case study selection, field research design, employment of a grounded interpretative mixed methods approach, incorporation of a postcolonial lens, and reflect upon methods of data collection and analysis. The research design explains how I accessed the field and case study, the impact assessment approach constructed, and definitions of fair trade and empowerment outcomes employed as indicators. A case for using a mixed methods approach is referenced as a means to enhance the credibility of data and arguments and to examine a complex postcolonial geography. The selection and application of sampling and data collection methods chosen is discussed with reflection on issues of intersubjective interpretations and representations. It also demonstrates how the methods mirrored people-centred strategies of fair trade such as inclusion, participation, voice of the marginalised, and transparency to hear and present voices of subalterns.

I begin analysis of empirical material in Chapter Six where I examine grounded lived experiences of fair trade at the level of implementation. It contrasts local interpretations, experiences, and understandings to challenge globally defined fair trade expectations, and imaginations and assumptions of homogenous, cooperative producer communities. The analysis highlights who appears to be benefiting from and participating in fair trade processes and who appears to be excluded. Discussion throughout identifies reasons for varied levels of empowerment impact for different actors involved in sugar cane production at Kasinthula. As the chapter progresses key themes of unintended consequences of exacerbating and reinforcing sites of exclusion and inequality are highlighted.

Developing the principal themes and arguments emerging from analysis, Chapter Seven discusses the concept of Kasinthula producers as either unable or unwilling agents of empowerment. The discussions highlight tensions between individual and community needs, philanthropic and non-philanthropic responses, dependencies, and constraints on low income producers. The development of arguments is supported with reference to findings from other published fair trade research. Building an argument that social responsibility aspects of fair trade are a luxury, the chapter identifies contextual factors that need to be understood to permit a relativist definition of fair trade and empowerment.

The concluding chapter includes a reflection on contributions to academic and fair trade policy debates. Particular reference is made to the contributions of the critical and analytical frameworks developed and to assumptions made in practice and their limiting influence on empowerment processes. I consider what this means for future research directions to engage with challenges to definitions of community and empowerment and further relative definitions of fair trade. The principal challenges to fair trade from this research are to problematise assumptions of producer communities, consider aspects of empowerment as luxuries, and incorporate further account of complex postcolonial places.

## Chapter 2

# **Towards people-centred approaches: a post-Marxist and postcolonial critique**

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### **2.1 Introduction**

This chapter presents a framework to critique people-centred approaches to empower others, with reference to emerging literature in development geography on the intersections between post-Marxist and postcolonial critiques. A postcolonial geographical analysis, informed by a post-Marxist critique, enables a deconstruction of the politics of power in places, populations, and societies to problematise assumptions and imaginations of others that remain central to people-centred development approaches, including fair trade. Through deconstruction this framework highlights embedded social and political factors that may enable or constrain people-centred approaches. For the KCGL case study, this enables examination of ‘actually occurring globalisation’ (Neilson and Pritchard, 2009: 28) by demystifying production communities to highlight uneven and unequal geographies of power at local as well as global levels.

For this thesis the term postcolonial represents the body of thought that offers a critical response to the continuing effects of the ‘long history of colonial consequences’ (Gandhi, 1998: 3) in countries that were at one time under colonial rule (postcolonial places).<sup>6</sup> Post-Marxist geography represents a critical approach that retains Marxist attention to issues of political economy, class relations, and inequalities, but avoids essentialism characteristic of Marxist thought. Instead the

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<sup>6</sup> This refers to Hall (1996) regarding generalisations and ambiguity surrounding the term postcolonial.

critical analysis of such issues is grounded in a particular place to incorporate the influence of different geographies (Corbridge, 1994; Peet and Thrift, 1989). It therefore offers a more nuanced approach than Marxist thought to explore the influence of hierarchies and inequalities of a particular place, population, or society to highlight specific sites of disempowerment, exploitation, exclusion, and inequality.

I begin this process by outlining the rationale of the fair trade movement for people-centred approaches as a response to continued unfair governance of international trade and development. This is followed by employing the lens of governmentality to present the history of the politics of global trade. Using this lens the principal theories and programmes of trade, their rules of the game, and legacies of unequal relations are reviewed. After exploring this history I argue that these legacies constitute a postcolonial context in global trade and local production networks that shape uneven geographical environments. As the thesis develops I highlight unintentional consequences of a fair trade approach that contributes to and exacerbates such uneven environments at the local level.

The discussion then reviews the contested ideas and policies of international development. First, this demonstrates the promotion and criticisms of formal international development programmes. Second, an exploration of post-Marxist and postcolonial critiques forms a politically engaged critical postcolonial reflection on development that is applied as the critical framework throughout this thesis. I then examine the emergence of people-centred development which includes reference to the philosophies that inspired this emergence. This is followed by an analytical focus upon the language of empowerment and community employed within those approaches. That language is problematised using the established critical postcolonial reflection to highlight embedded social and political environments in a local postcolonial production place that represent potential inhibitors toward attempts to empower others.

The chapter concludes with a summary of how the integration of post-Marxist and postcolonial thought facilitates a process of understanding embedded multi-scalar inequalities in trade and production network relations to examine who speaks and under what conditions. Furthermore, it is shown how the construction of a critical

postcolonial reflection, which foregrounds political and social factors to problematise people-centred development, presents a number of challenges to initiatives such as fair trade.

## **2.2 Governance of trade and the people-centred alternative**

Throughout history societies have sought to find forms of governing to guide certain populations toward desired outcomes. Such processes have been evident in the fields of international trade and development for centuries. In pursuit of goals, many uneven and unequal power relations have been established that remain evident in contemporary international relations. The origins and persistence of inequalities represent the principal concerns of both post-Marxist and postcolonial thinkers (such as Corbridge, 1994; Peet and Thrift, 1989; Said, 1978; Slater, 1998; and Spivak, 1999).

Issues regarding the continued uneven and unequal distributions of power and wealth in international trade relations also represent the principal campaign issues for a range of trade justice movements (including fair trade). Their concerns relate to the terms of global trade, the rules of which, it is argued, are unequal, favouring high over low income countries. Fair Trade Organisations and policy-makers argue that the producers of tropical agricultural commodities such as sugar cane are subject to unfair regimes and rules in global trade flows that restrict their incomes and participation in the trade of their produce. For this thesis the definition of producer refers to any agent involved in the direct production of a commodity, such as farmers, labourers, and processing plants.<sup>7</sup>

It is concerns with the governance of the trade of commodities and who is able to participate and influence decisions regarding flows and distributions from that trade that are at the core of fair trade principles (FLO, 2009a). In practice fair trade movements adopt people-centred development approaches to seek ways of making some processes work in different ways from the past to affect wealth and resource distributions. In doing so, the aim is to develop producer communities by empowering them to have more control over their lives. In this approach, the fair trade movement

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<sup>7</sup> The only exception is in the macro discussions of section 2.4 where ‘producers’ refer to countries or regions.

and organisations accept that the current international trading system is unfairly balanced towards the benefit of actors with the greatest amounts of influence and wealth but maintain that trade is essential for development.

To begin to understand the philosophies, motivations, and strategies behind fair trade's people-centred empowerment agenda, it is necessary to explore the history of international trade and its rules of the game that are highlighted as being unfair. After providing a definition of governance and a lens to examine forms of global trade governance, this review also starts to build a picture of the macro institutional environment as a variety of regimes of practices and modes of governance that have created strata and hierarchies in which agricultural commodity producing communities are embedded.

### **2.3 Consideration of power**

To facilitate the exploration of international trade and development and associated sites of inequality and unfairness, this thesis adopts a governance definition of power focussing on control and influence. The exploration of forms of governance in global trade starts from the premise that the key players – such as producers, states, corporate actors, international agencies, and civil society organisations – all operate within a shared economic, political, and social space. In light of this, the definition of the forms of governance then moves beyond a narrow focus on formal state channels to a wider encapsulation of various forms of social control that 'attempt to deliberately shape aspects of society's behaviour or human conduct' (Dean, 1999:10). Therefore, governance in this thesis is defined as the manner or system of directing multi-scalar affairs or policies and the ability to control or influence (govern) those affairs or policies.

To understand how forms of governance and associated hierarchies affect efforts to empower others it is necessary to find a lens to examine the principal forms of governance as regimes of practices in trade and development. The governmentality approach allows for analysis and critical reflections on the particular means and practices of mechanisms of governance employed. It supports a postcolonial and post-Marxist framework by facilitating a focus on multi-scalar forms of governance that shape unequal and uneven geographies to be analysed.



Based on advancement of the concept of governmentality introduced in the work of Foucault (1978) by Dean (1999), Hudson (2005), and Rose (1999), governmentality can be used as a lens to examine particular regimes of practice of those who govern in society that are intended to shape, guide and govern the behaviours of others. Dean (1999:21) defines the mechanisms of governance as ‘regimes of [organised] practices’ or explicit programmes, such as poverty alleviation. Specifically, governmentality ‘examines the conditions under which regimes of practices come into being, are maintained, and are transformed’ (Dean, 1999: 21).

Unpacking this with reference to Dean (1999: 12) and Hudson (2005: 114), governmentality analysis points to consideration of:

- The particular problems perceived regarding a regime of practices
- The emergence of a regime, the multiple sources of its constituent elements, its ‘rules of the game’,<sup>8</sup> and power relations that underpin activity
- The politics and processes of governing – who sets the rules and how authority is exercised
- For what reasons rules are set, with what assumptions, and to what anticipated ends

These definitions are important as they highlight the significance and relevance of focussing upon the historical shaping of mechanisms or regimes of practices, identifying points of unevenness and inequality in the governance of trade and production, and critiquing assumptions that have informed a variety of programmes. Exploring such conditions provides a context to begin to understand the forms and rules of governance to which specific producers are subject. It is through this lens of governmentality that this chapter discusses a variety of regimes of practices that have emerged in trade and development, with reference to principal ideologies, theories, policies, and practices.

## **2.4 Global politics of trade: legacies of unequal relations**

Through contact between various agents, numerous divisions of capital and labour are established, an aspect that famously occupies the concerns of Marx and neo-Marxists<sup>9</sup>

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<sup>8</sup> The idea of ‘rules of the game’ is discussed further with reference to the work of North (1990) and other institutional theorists in Chapter Three.

<sup>9</sup> For instance see Emmanuel (1972) in section 2.5.2 and Wallerstein (1974) in Chapter Three.

regarding the capitalist mode of production. Throughout the history of international trade, as different forms of governance have been applied, particular stratifications have shaped distributions of power granting co-ordinators positions of superiority. In international trade such processes have generated legacies of unequal and uneven relations.

Acknowledging the importance of understanding stratifications and distributions of power, both post-Marxist and postcolonial writers (such as Corbridge, 1994; Guha, 1982; Peet and Thrift, 1989; and Spivak, 1988) foreground acknowledgement of the weight of history when examining contemporary situations in low income countries.<sup>10</sup> Recognising this and embracing a call from Dean (1999: 29) that ‘regimes of practices are historically constituted assemblages’, the following section traces the emergence and aims of a variety of regimes of practices evident throughout the history of international trade.

Drawing upon the writings of Frank (1978), Hoogvelt (1997), Jones (2003), and Peet (1999), this section introduces a chronology of eras, starting with mercantile imperialism, followed by classical economics (liberalism and free trade), colonial imperialism, through to the era of developmentalism (or neo-colonialism). This analysis highlights the significance of these eras in creating the mixture of free trade and protectionist policies that have shaped and influenced today’s global political economic orders and established many of the uneven and unequal global trade and production networks and institutional environments<sup>11</sup> fair trade aims to affect.

Arguably the first period during which international trade was explicitly employed as a vehicle for national economic development was the mercantile one, the policies of which governed the early modern period (from the 16<sup>th</sup> to the 18<sup>th</sup> centuries). Aggressive appropriation of resources laid the foundations for global inequalities in capital wealth distributions and uneven power relations that are still evident today. For instance, Oxfam (2002) highlight the persistence of ‘rigged’ rules in global trade and associated problems such as market access imbalances.

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<sup>10</sup> My analysis of the specific context of Malawi in Chapter Four demonstrates this.

<sup>11</sup> The concepts of institutional environments and arrangements are discussed in Chapter Three.

The mercantile era was dominated by export promotion and restrictions on imports, driven by protectionist policies, to achieve surpluses in gold revenues and balance of trade that enabled countries such as England to dominate international trade. These strategies laid the foundations of a new world order, in particular of the subsequent British Empire, as wealth accumulation moved the agenda from piracy to political power (Ferguson, 2004).

In a more contemporary period, mercantile theory subtly represents the foundations of Export Led Growth (ELG) strategies, attributed with the economic development experienced by the Asian Tiger countries (Taiwan, South Korea, Singapore, and Hong Kong) in the second half of the 20<sup>th</sup> century driven by direct state intervention. Despite the different approaches, the basic premise remains the same; in order to achieve economic development through international trade, a country must first establish its own strong industry and export base to be able to better control the terms of trade.

The dominance of mercantile thought in Europe began to fade in the 18<sup>th</sup> century in light of growing criticisms of this aggressive approach from scholars such as David Hume and Adam Smith.<sup>12</sup> They argued that wealth appropriation need not be based upon conflict where one group benefits at the expense of another, but in a liberal arena of protection-free trade, where individuals and societies would be guided to find optimum employment of capital and labour through the ‘invisible hand’ of unfettered markets. This liberal agenda argued that through cooperation rather than conflict, both parties involved in a trade transaction should benefit, thus attempting to switch the focus from macro state wealth accumulation to micro individual wealth accumulation within populations.

According to this perspective only a minority were benefiting from trade under protectionist policies as large corporations such as the British East India Company<sup>13</sup> were being granted exclusive privileges. Instead, a free market scenario would allow a wider range of actors to enter into production and trade, leading to a more efficient allocation of resources. Specialisation in the production of goods that most effectively

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<sup>12</sup> Adam Smith (1776) ‘Wealth of Nations’; David Hume (1739) ‘Treatise on Human Nature’.

<sup>13</sup> A monopoly that governed trade with India during this period.

used available resources formed the basis of Smith's concept of absolute advantage. An absolute advantage in production would be achieved when with the same input the producer generates the greatest output.

In what became the foundation of classical international trade theory, this concept was advanced by David Ricardo<sup>14</sup> who stated that producers need only a relative comparative advantage over another to justify a decision to produce a particular good. As advocates of free trade, both Smith and Ricardo were opponents of protectionism for national economies, especially for agriculture. They argued that protectionist policies were only benefiting wealthy landowners, thus keeping prices high to consumers and excluding others from production. In this era the free trade argument won and remains a dominant influence regarding international trade policy today, for instance as evidenced in WTO negotiations.

In part aided by this shift to an era of free trade, countries that had gained economic supremacy during the mercantile period were able to expand their wealth, opening greater access to foreign markets. As the colonial powers in the global north shifted from feudal to capitalist modes of production, the colonised countries (in many parts of Africa, Asia, and Latin America) were affected by this transition. At this time the colonial doctrine of colonised countries' specialisation in commodity production was, as Barratt Brown (1996: 22) discusses, justified with reference to 'Ricardo's law of comparative advantage'. Endowed with natural resources for raw material supply and labour forces, those governing global trade dictated that colonised countries should specialise in the supply of normally two or three commodities.<sup>15</sup> At the same time, high income countries would specialise in industrial production of those commodities. According to Ricardo's theory, all trading partners gain from trade based on such specialisations.

Gallagher and Robinson (1953) and Peet (1999) discuss the era of colonialism and imperialism as an expansionist one in which increases in international economic transactions were matched by corresponding extensions of political influence.

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<sup>14</sup> David Ricardo (1817) 'On The Principles of Political Economy and Taxation'.

<sup>15</sup> Barratt Brown (1996) discusses the example of Zambia's dependence on copper production as a legacy of this policy. In Chapter Four I discuss the three agricultural commodities (tobacco, sugar, and tea) that Malawi's economy remains dependent upon.

Imperialist expansion created dominant empires whose administrators governed international trade rules and access to many assets in LDCs. From this, Marxist inspired writers such as Crush (1995), Furtado (1964), and Mudimbe (1988) identify the colonial period as one of exploitation, domestication, and reordering of economic and political space in regions such as Sub-Saharan Africa (SSA) under the ideologies of the colonisers. These forms of governance created hierarchies and stratifications in the governance of large percentages of global trade and production, generating surplus wealth in the global north at the expense of the global south.

The strength and location of the significant sites of governance in commodity transactions were reinforced with the construction of formal institutions such as the classical commodity market model which first appeared in the US in the mid 19<sup>th</sup> century and remain dominant institutions in the present day (Daviron and Ponte, 2005). For this model the key innovation was the introduction of two institutions to operate markets: a system to grade products (commodity exchanges) and the development of a futures market (Daviron and Ponte, 2005: 4; Gibbon, 2001a).<sup>16</sup> Throughout this history the organisation and management (or governance) of these market institutions in international trade has remained in the hands of members of high income and former colonising countries.

The principal legacies of the multiple rules of the game employed throughout the history of international trade are the location of the governance of the rules and industrialised production in high income countries and low income cash crop production of agricultural commodities such as tea, coffee, sugar, and cocoa in former colonised countries. Nodes of governance that can be traced back to operations of organisations such as the British East India Company are still apparent in commodity markets such as tea today. For instance, companies such as Unilever, who sourced tea from India by the late 19th century, still process much of the tea in the north and then redistribute more expensive finished products through old colonial networks. Thus, many of the global production and distribution networks analysed today (more of which is discussed in Chapter Three) were established in these eras. This has

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<sup>16</sup> The establishment of such institutions supports North's (1990) argument that as economic exchange (in this case, trade) moves beyond local scales to reduce transaction costs a variety of formal institutions were created as mechanisms of governance in trade.

embedded many parts of the world into a set of relations and capitalist modes of production over which they have little control. Also, subsequent dependencies remain inhibiting factors toward the economic development of some countries today.

To question the theories and assumptions that underpinned these regimes it is necessary to recall the shortcoming of economic institutional analyses. Classical economic theories such as comparative advantage presume the existence of a 'level playing field' in international relations that would enable all to benefit from trade. As institutionalists informed by political economy arguments such as Myrdal (1973) point out, these theories fail to acknowledge the political and social institutional environments in which certain actors are embedded. Those environments are imbued with inequalities that restrict access to the setting of programmes and rules that determine access to wealth and distribution of resources. The next section discusses this issue and implications in more detail.

#### **2.4.1 Lack of a level playing field**

The principal theory of Olson (1965) suggests that for a society to grow and develop it only needs to follow the same path as others to increase economic gain from an activity such as trade. Classical economic theory advocates this path to growth theory, including assumptions of the existence of perfect knowledge and information to achieve growth. North (1990) highlights the shortcomings of this theory with reference to economic game theories.

Using a sporting analogy, North (1990) suggests that to participate and succeed in terms of economic growth, the skill of the players and their knowledge are crucial. Classical theories assume that all players (such as producers) have perfect and complete knowledge and all start on a 'level playing field'. This is a simplistic view that ignores complex realities and 'excludes consideration of real world [historically formed] institutions and social processes' (Peet, 1999: 62) that have shaped the international division of labour and embedded certain producers in contexts that restrict access to power and knowledge. As contemporary writers on the subject of free and fair trade, such as Oxfam (2002) and Stiglitz and Charlton (2005) point out, with colonial legacies, complexities of international trade rules, and imperfect markets, it is impossible for low income countries to maximise their advantages as

others did previously. Such complex realities are incorporated into the discussions and analysis of this thesis.

Despite continuing rhetoric from free trade advocates (such as Booth & Whetstone, 2007; and Lindsey, 2003) that trade liberalisation will benefit low income countries, it is evident throughout history that countries have employed interventionist policies in order to boost national economic wealth before embarking on international trade. As summarised by Amin (1976: 151), ‘the doctrine of free trade has only ever been preached by the stronger, after they have established a dominant position by other means’. Furthermore, contradictions regarding the use of protectionism to maintain a comparative advantage still exist today within the negotiations of the WTO. For instance, in the Doha round of negotiations which commenced in 2001, it is clear that national fears remain as countries and regional groups still want free trade for those products in which they have a comparative advantage and protect those more costly to produce domestically. An example discussed further in Chapter Four is the EU and the US wishing to protect their sugar beet producers who do not have a comparative advantage over sugar cane producers of the African, Caribbean, and Pacific (ACP) group of countries such as Malawi.

It is in this context that the fair trade movement argues for the need to provide support to those marginalised from the majority of wealth created by global trade and production. The fair trade approach places faith in trade as a vehicle to deliver further prosperity to low income producers. However, by setting guaranteed prices and a series of non-voluntary practices into the trade arena, the Fairtrade standards of the FLO suggest that there needs to be a form of protectionism in trade relations to account for the unevenness in resource distribution and inequalities in participation. This approach in part answers a call from Stiglitz and Charlton (2005) who suggest finding a mid-ground between those advocating free trade and those opposed in order to find alternative paths for development. Similarly, Sayer (1995) suggests there is room for such alternatives between the binary options of markets and state planning.

This review of the history of international trade regimes and associated policies has highlighted the establishment and persistence of uneven and unequal balances of power in the governance of the rules of the game of commodity trade. Furthermore, it

has identified part of the rationale for fair trade to attempt to redress some of those imbalances and, therefore, affect the distributions of economic resources and political participation in commodity trade. The emergence of the other core element to the fair trade story, social development of producer communities, is explored below with reference to the history of formal international development projects and critiques of them.

## **2.5 Promotion and criticism of international development programmes**

As already indicated, trade and development practices are both central to fair trade interventions, and that practice has been influenced by numerous policies and theories over time. The discussion so far has primarily focussed upon the governance of international trade and how the dominance and control of trade enabled some countries to accrue political power and economic wealth over a number of centuries, the legacies of which remain in global marketing and production networks today. In contrast, the story of the other central element of fair trade, development, has a shorter history that for some scholars (such as Hettne, 2002) has only been evident in a formal sense since the Second World War. That is not a view held by all, however, as the proceeding discussion highlights, because development remains a contested set of ideas both in theory and practice.

In its simplest form, development for individuals can be defined as ‘improving the conditions of life’ (Peet, 1999: 17) or a ‘wish to live a better life’ (Rist, 2008: 11), defined for society through ‘actions to bring greater happiness to the greatest possible number’ (Rist, 2008: 11). Such definitions place development as a process that combines economics with social values, as fair trade practices aim to do. However, as these and other authors note, far more lies behind this concept that has numerous social, political, and economic implications. This section explores the principal contested ideas about development to identify influences on fair trade policy and lenses to critique fair trade initiatives, beginning with a review of classic macro theories of development and their policy implications.



### **2.5.1 ‘How to develop’ manual for low income countries<sup>17</sup>**

In the wake of the Second World War and perceived failures of policies that maintained faith in free markets as mechanisms for prosperity, growth, and maximisation of human well-being, a new theory of growth emerged that was intellectually inspired by the ideas of the economist John Maynard Keynes. Then, as in the current global economic crisis, state or public sector intervention was required as a ‘visible hand’ in order to bring stability to national economies and to stimulate economic growth.

This represents to Polanyi (1957) a re-embedding of markets under the influence of social norms as the second half of his ‘double movement’, forming the justification for intervention to regulate markets. The earlier disembedding of markets from social and geographical constraints during the industrial revolution as a period of unregulated market activity represents the first part of Polanyi’s double movement. This re-embedding was evidenced in the United States and some parts of Europe as free trade policies were increasingly replaced with national state led strategies to better serve the interests of society as a whole.

In the immediate post-war period the focus was on practical problems in the global north, primarily in Europe, as projects for reconstruction and redevelopment were initiated. In that period came the official, conscious promotion of international development as a global economic programme<sup>18</sup> or regime of practices (Kiely and Marfleet, 1998; Sylvester, 1999). The programme of economic development was essentially a prescription to extend Keynesian principles of macroeconomic management of the economy to countries that were seen as poorer or less developed compared to wealthier countries in the world (Peet, 1999).

In pursuit of international development goals and a desire to organise global capital flows to aid stabilising processes, the formal institutions of the IBRD,<sup>19</sup> the IMF, and

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<sup>17</sup> Hoogvelt (1997: 35)

<sup>18</sup> This is often credited to the Truman Doctrine of 1947 (for example, Escobar, 1995; Esteva, 1992; and Sachs, 1992).

<sup>19</sup> The International Bank for Reconstruction and Development later became known as the World Bank.

GATT<sup>20</sup> were formed. Through these institutions the concept of structured aid as finance and support being sent from one part of the world to help ‘develop’ another was created. Instigated on the premise of stimulating economic development, these institutions were created in response to numerous political influences, such as the perceived threat of communism to capitalism. There were, and remain, many motivations for protecting various interests which have implications for social development in terms of who receives aid and under what conditions. The implications of development policies that emerged in the post-war decolonisation period for the case study of this research are explored in more detail in Chapter Four.

The international development ‘prescription’ instigated by US President Truman was based on the idea that all societies should be able to follow a similar path toward development. Through a series of top-down macro policies the journey to development would move any economy from reliance on ‘backward’ low income generating agriculture to ‘modern’ high income industrialisation, similar to the experience of industrialised countries. This concept of a ‘how to develop’ manual (Hoogvelt, 1997) of linear stages to development is most famously captured by Rostow’s (1962) stages of growth model that outlines a series of phases from traditional society to an era of take off towards developing a modern society. This development programme was promoted as the way forward that broke from historical (especially colonial) relations. As Truman stated, ‘the old imperialism, exploitation for foreign profit has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing’ (Truman 1949, in Esteva 1992: 6).

Despite such aims, critics from postdevelopment and postcolonial perspectives, such as Escobar (1995), Kothari (2006), and Rist (2008) see historic continuities between colonialism and prescribed development that maintain unevenness and inequalities, an argument supported by this thesis. Therefore, as a concept that formally emerged in an era of decolonisation, development needs to be critiqued on the basis that it is a ‘historically formulated concept imbued with relations of power’ (Skelton and Allen, 1999:2). Also, whilst this discussion focusses upon macro issues, nodes of governance

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<sup>20</sup> The General Agreement on Tariffs and Trade (GATT) later became known as the World Trade Organisation (WTO).

in the hands of a few elites at local levels have also been increasingly identified (Hoogvelt, 1997), which are discussed further in sections 2.6.3 and 2.8.2.

### **2.5.2 Neo-Marxist critique of development**

Critics of path to development models began to emerge in the 1960s, principally in what became known as the dependency school. Writers in this school critiqued development models for ignoring the impact of world history, especially periods of colonial control. Adopting a neo-Marxist perspective that highlights hierarchies and social stratifications in capitalist processes, programmes of exporting development projects from the global north to the global south were seen as synonymous with replicating capitalism and industrialisation in other parts of the world (Amin, 1996), whilst the significant nodes of governance were retained in the global north.

The ideas of the dependency school were encapsulated by the work of Frank (1967) in his 'Development of Underdevelopment' thesis. As with criticisms of classic trade theory discussed in section 2.4.5, the underdevelopment concept highlighted that uneven playing fields existed. It was argued that 'the condition [underdevelopment] of people in LDCs is a result of exploitation' (Leys, 1996: 56) imbued with inequalities defined over time from mercantilist and imperialist unequal exchange legacies.

Issues regarding dependency and inequalities were also concerns of Emmanuel (1972). His theory of unequal exchange implies that as low income countries attempt to 'catch-up' they are restricted because 'whatever they undertake and whatever they produce, they always exchange a larger amount of their national labour for a smaller amount of foreign labour' (1972: xxxi). He traces this to imperialist control over labour and production that led to low wage levels through dependence on the production of low value commodities, thus creating unequal terms of exchange between primary and manufactured goods. The theory reinforces the importance of the issue of governance in international relations, meaning unequal exchange is reinforced by strong states over weaker ones through control of international organisations. For instance, the governance of the WTO during the neo-colonial period in the second half of the 20<sup>th</sup> century represents an example of unequal exchanges reinforced through the imposition of liberalisation policies by high income countries on low income countries in the name of development.

Like other dependency theorists, Prebisch (1950) believes that peripheral countries underdeveloped as a result of mercantile relations with the core as they were inhibited by international trade structures blocking their paths to development. For Prebisch, if countries were to develop they needed to break free from reliance on income from the exports of a few commodities whose value in relation to imported manufacturing goods was declining. This forms the basis of the Prebisch Singer (1950) terms of trade thesis. The thesis states that as more expensive goods have higher elasticities of demand, it is necessary for industrialisation to take place in order for low income countries to improve their terms of trade by gaining more economic rent (or value) from more expensive exports.

In this vein, Prebisch rejects the Ricardian doctrine and advocates a need for state intervention to create protectionist policies that would foster indigenous industry to grow and be able to compete with richer nations. This interventionist policy became known as the Import Substitution Initiative (ISI). ISI was particularly adopted in some parts of Latin America with the use of tariffs on imports to drive demand for home-produced goods since terms of trade for primary commodities had been on a downward trend since colonial times.

From this summary it is clear how dependency theorists use history to suggest how poverty creation and underdevelopment are rooted in unequal power relations and the colonial legacy of commodity export economics. It is very useful to reflect upon the external policies that helped to create the environments in which low income production communities are embedded. However, due to the ultimate failure of ISI and state led development in the 1970s, the prescriptions of dependency theorists appeared limited in providing alternative programmes for low income countries to develop and reduce dependencies. By the 1980s such failures led to a return to the dominance of policies based on classical theories of trade and development.

### **2.5.3 Neoliberal counterrevolution**

The term neoliberal counterrevolution is borrowed from the work of Peet (1999: 47) to capture a turn in macro development economics in the 1980s. This turn to neoliberalism and promoting free trade was led by economists opposed to both Keynesian style interventionism and radical theories such as dependency theory.

Economists such as Bauer (1971), Hayek (1960), Lal (1997), and Little (1982) critique protectionism and reject the involvement of the state as a means for successful development. Promoting liberalist thought, Bauer (1971) believes that everyone can respond to incentives produced by the market. For instance, people in low income countries are not just an uneducated population that should be at the mercy of a Marxian state led policy of support and dependence on others.

In support, Lal (1997) and Little (1982) use the experience of state marketing boards in many commodity producing countries as evidence of the lack of success of government interference in international markets. This view assumes, however, that all individuals have access to appropriate institutional environments to allow them to make the 'right' choices and succeed in trading in global and local markets. The case of generally better incomes of cocoa farmers in Ghana from an ostensibly maintained marketing board versus the low incomes in the free market in neighbouring Cote d'Ivoire suggests the need for some type of formal institutional arrangement for small-scale producers to be able to operate in global markets (Gibson, 2007). Despite such cases, within the principal global institutions such as the World Bank it was widely believed that an unfettered market system offered the best mechanism for development. The principal policy prescriptions of the 'Washington Consensus' (Gore, 2000) was a US-led doctrine in the same vein as earlier post-war modernisation prescriptions. The liberalisation and privatisation prescriptions were principally delivered as a package of Structural Adjustment Programmes (SAPs) that began in the 1980s and continued into the 21<sup>st</sup> century.

Fundamental to SAPs was the promotion of ELG strategies to enable low income countries to benefit from global trade and, therefore, develop their economies and population. The success of ELG strategies in developing comparative advantages for the Asian Tigers were used as examples of how neo-Ricardian policies could lead to development, as had been the case in Japan and Great Britain previously. However, as Hirst and Thompson (1996) point out, these were only a relatively few examples and all Asian Tigers had developed their economies with the aid of some form of state investment and support. The Tigers prove, however, that given an appropriate enabling institutional environment, countries can prosper from international trade.

## **2.6 Moving beyond structural critiques and approaches**

Decades of macro, top-down approaches that placed faith in changing structures to lead toward ‘trickle down’ of livelihood improvements have been accompanied with growing disillusionment in the failures of such thought and policies. This disillusionment is most clearly represented by the views of post (or anti) development critics, informed by a poststructural enquiry, to deconstruct development as a concept. This section explores those postdevelopment views followed by critiques of their radical arguments. Those critiques form the politically-engaged, critical postcolonial reflection for this thesis.

### **2.6.1 Development deconstructed**

Intellectually, postdevelopment thought has poststructural underpinnings inspired by Foucauldian ideas of deconstructing discourse of power and knowledge which led to some radical critiques of development. For such critics (including Escobar, 1995 and Esteva, 1992), whilst both modernisation and dependency theories and policies may have been based upon different perspectives and entry points, they were increasingly regarded as opposite sides of the same coin to justify the development project. Not all postdevelopment writings are the same, but the general aim is, as Ferguson (1994) argues, for the need to question the unquestioned concept (development) of the 20<sup>th</sup> century.

By taking a poststructural approach, postdevelopment theorists sought to uncover and expose assumptions to critique development as a discourse. For these writers the development discourse is composed of truths based upon western knowledge and power that is laden with assumptions and generalisations (Ferguson, 1994), creating an underdevelopment problem that ‘legitimizes and reinforces western dominance over the third world’ (Storey, 2000: 40). Referring to his earlier work, Rist (2008: 1) also talks of development as a ‘discourse laden with charms and pleasures’. This discourse is one that (referring to Said, 1979) objectifies others as powerless, backward, and passive objects waiting to be developed to justify development projects led by external expert knowledge to solve the problems of others.

More radically, from such disenchantment with development, a group of anti-developmentalists, notably Escobar (1995), Esteva (1992), and Sachs (1992), called

not for development alternatives, but alternatives to development, in other words, a rejection of development in any form. In deconstructing development, Escobar (1995) views development as an apparatus (of programmes and rules) that includes power relations and institutions rooted in a model of the industrialised world to serve the interests of the powerful. Development from this view could not be reworked since those already established to govern development programmes set the rules of who can speak and with what level of authority. Instead it was necessary to ‘imagine moving away from conventional western modes of knowing in general in order to make room for other types of knowledge and experience’ (Escobar, 1995: 216). In a parallel with dependency theory, moving away would require autonomy through struggle and resistance on the part of local populist social movements to break from the development stranglehold.

### **2.6.2 Deconstruction critiqued**

The anti-development deconstruction of development opens insights, debate, and criticisms of formal development programmes. However, this thesis argues for more grounded analysis to acknowledge ‘varieties of development’ in an attempt to avoid essentialising attempts to develop and homogenising the actors concerned. To inform this approach, critiques of the postdevelopment school are explored, culminating in an adoption of ideas posed by Nederveen Pieterse (1998, 2000), Nustad (2007), and Peet (1999), and postcolonial thinkers including Baaz (2004) and Mercer et al. (2003) to construct a framework to critique but not reject development. The following criticisms of anti-development arguments are employed later in the thesis in the examination of fair trade impact. These criticisms challenge assumptions and simplifications of other people and places in the practice of empowering others.

Critics of the radical postdevelopmentists point to a number of shortcomings and contradictions in their arguments that undermine critiques of development. Despite attempting to adopt a poststructural critique, the postdevelopment view is laden with generalisations and assumptions. To explore these, this section offers a number of criticisms of postdevelopment theory that have been echoed by others (for instance Corbridge, 1998). The first point of criticism is the creation of another unhelpful binary. Creating a dichotomy between development and anti-development only serves to essentialise development in a language game and neglect any complex analysis

(Nederveen Pieterse, 2000). Such a one dimensional view does not enable possibilities from harnessing trade and development to be realised.

Second, in describing development as one homogenous field, the postdevelopment critique has overlooked how programmes have transformed and resisted in different ways (Nustad, 2007: 44). There are, therefore, often no hints of the accomplishments of development in postdevelopment critiques. As Agrawal (1996) suggests, postdevelopmentalists only see development as a negative. In support, Nederveen Pieterse (2000) identifies how Escobar and others ignore any positive development accounts, and Corbridge (1998) and Peet (1999) highlight how in some cases the technology and science associated with ‘bad’ development have actually been liberating.

Third, by equating development with the West, postdevelopment writers essentialise accounts of both the West as ‘bad’ and the ‘rest’ as romantic non-Western other communities, a tendency discussed by Nederveen Pieterse (1998). Also, Corbridge (1998) highlights how this ‘wobbly romanticism’ only serves to homogenise local social majorities. For instance, Escobar (1995) sees indigenous social movements as agents for change, but such a neo-traditionalist romance of resistance (Nederveen Pieterse, 2000) assumes that all indigenous social movements are democratic and anti-authoritarian (Sylvester, 1999: 711), when in reality they are diverse in nature and membership. This point is reinforced by Sharp and Briggs (2006:7) who note that such faith in community and the local ‘fails to acknowledge the power relations... [that mean]....communities are rarely inclusive and consensual’, and thus fails to recognise ‘the heterogeneity of the subalternity’ (Kapoor, 2004: 638).<sup>21</sup> Through empirical analysis and discussion, this thesis places focus on the impact of heterogeneous rural communities on people-centred efforts to empower others.

### **2.6.3 Politically engaged critical postcolonial reflection**

Whilst the anti-development arguments of postdevelopment theorists have opened spaces in which to critique development programmes, due to the criticisms outlined,

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<sup>21</sup> The term subaltern refers to those viewed as subordinated or worse off in society. It is first used in a non-military sense by Gramsci and later adopted by postcolonial writers such as Guha (1982) and Spivak (1988).



the essentialising radical critiques are not employed as tools for this thesis. One reason for this is that the critiques are ‘empty’ (Agrawal, 1996) in that they fail to lead to suggested alternatives (Nederveen Pieterse, 1998). Instead, the approach in this thesis accepts development philosophically as something desired by all to seek improvements in livelihoods in some form. As Sylvester (1999: 710) points out, modernity is a desired option, and what other romantic aspirations do people have? This is a question unanswered by postdevelopment theorists.

In contrast, the construction of a politically engaged critical postcolonial reflection on development is an approach that aims to seek empirical evidence of both enabling and constraining factors in contextual institutional environments. This process uncovers the realities of political and social relations in a production community and gives voice to that community. As introduced earlier, to construct a critical reflection this thesis draws upon both post-Marxist and postcolonial literature.

In support of such an approach, Mercer et al. (2003: 432) turn to recent developments in postcolonial studies ‘in order to think through more critically the relationships between power, knowledge, development, and development practice’. Adding to such growing literature on intersections between development studies and postcolonial thought,<sup>22</sup> the discussion below demonstrates how this framework aims to address the shortcomings and criticisms of postdevelopment theorists outlined above. This framework also addresses critics of postcolonial thought (such as Rajan, 1997) who point out a lack of concern with lived experiences such as poverty and human rights violations. In response it is argued, for instance by Sylvester (1999) and Mohan (2001), that the intersection of development studies with postcolonial thought advances critical concern with voice and daily needs of subalterns.

The approach of this thesis is not to reject development but engage with it and its relations to trade through critique (Corbridge, 1998; Sylvester, 1999). The first inspiration for this comes from the work of the following two authors whose ideas break with postdevelopment’s lack of acknowledgement of any development accomplishments. In questioning the paradigm shift offered by postdevelopment and

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<sup>22</sup> For more on this see McEwan (2008); McFarlane (2006); McKinnon (2006); Pollard et al. (2009); Sharp and Briggs (2006); Simon (2006); and Sylvester (1999).

the lack thereof, Nederveen Pieterse (1998) proposes a reflexive approach to modernity as a more enabling approach, versus rejecting modernity. Secondly, Peet (1999) posits a post-Marxist critical modernist position between the extremes of neoliberals and neoidealists (anti-developmentalists) that does not jettison modernity but rather ‘takes seriously objections to the modern enterprise of development, but still finds unrealised potentials in progress and modernity’ (1999:11) and, therefore, does not destroy associated potential future benefits.

Thus, the aim is to seek the potential in development by examining what can be learnt from programmes to date in order to enhance the potential spread of material benefits in different ways and in different contexts. This approach starts to address the critique of radical postdevelopment theory that only served to create more binaries. Instead, recognising the variability and flexibility of development (Agrawal, 1996) enables us to acknowledge a ‘diversification of developments’ (Rist, 2008: 137) since development changes as it comes into contact with different societies. This leads into the key contributions of applying postcolonial thought to the analysis of development programmes. Postcolonial thought is influenced by Marxism and post-structuralism with an emphasis upon sites of difference (Power, 2003) and heterogeneity (Dirlik, 1994). These influences are represented in the works of postcolonial writers such as Gandhi (1998), Guha (1982), and Spivak (1988). They share with post-structuralism a spatial perspective with a desire to deconstruct categories given to others, such as producer communities. With Marxism they share a temporal perspective to highlight the historical formation of hierarchies and inequalities that shape the positions from which people speak. Manzo (2009) refers to this as the common frame of reference between postcolonialism and anti-colonialism.

A postcolonial approach then draws on what I refer to as post-Marxist critical explorations of power and authority of dominant groups in society to de-centre Marxist critiques (Slater, 1998) and highlight inequalities in a post-binary world (Hoogvelt, 1997). The turn towards a Marxist influenced postcolonial studies approach has been presented in a collection by Bartolovich and Lazarus (2002). In their introduction they argue that ‘a cultural analysis of the everyday is inseparable from questions of political economy’ (2002: 6). Therefore, retaining the critical elements of Marxist analysis is necessary to provide more room for reflections on

issues of political economy (such as labour practices) in postcolonial studies to generate a 'critical knowledge of everyday life',<sup>23</sup> such as social relations within an agricultural production community.

The contributions of applying postcolonial thought to the analysis of development programmes begin with a resistance to homogenising postcolonial places and romanticising the structure of societies in other places, instead promoting analysis of hybridity and complexity (Baaz, 2004; Mohan, 2001). By emphasising plurality, postcolonial thought allows us to challenge assumptions (Sharp, 2009) and neatly bounded categories to make visible a more complex geography that documents grounded 'patchworks' of lived realities (Mercer et al., 2003: 428) whilst also analysing global political economies and power structures that combine to create 'locally meaningful forms of poverty and inequality' (Radcliffe, 2005: 202). A geographical version of postcolonialism, Sharp (2009: 6) argues, 'is attentive to the ways in which texts are changed as they are translated into practice in particular places around the world'. A grounded approach enables examination of how development programmes such as fair trade are transformed, reformulated, adopted, or resisted in different local encounters (Nustad, 2007: 41) generating different development experiences for different groups of people.<sup>24</sup> This resonates with arguments from Massey (1994) for the need to understand underlying processes that shape places in different ways, because 'geography matters'.

This approach to intersect postcolonial critique with development to explore how fair trade is experienced in different ways also enables this thesis to highlight criticisms of fair trade. Criticisms exposed through this thesis include continuing to make assumptions of others, not challenging neatly bound categories, and essentialising about others and other places. This is in contrast to intersecting postcolonialism with development to differentiate between the conventional and widely rejected versions of modernisation-as-development and progressive, empowering visions....that are substantively postcolonial' (Simon, 2006:17). Using postcolonialism in this way Simon (2006) argues that one example of such a progressive, postcolonial strategy is fair trade, evidenced by positive impacts on lives of producers and workers. Here then

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<sup>23</sup> Bartolovich and Lazarus (2002:5) are quoting H. Lefebvre.

<sup>24</sup> As explored through this thesis and recently in the work of Dolan (2008).

Simon (2006) is using the term postcolonial to categorise initiatives that are seen as alternative to mainstream development, thus creating a binary between conventional and alternative development. However, in this thesis postcolonial thought is used to critique fair trade from the perspective that despite some successes and introducing new 'rules of the game', it is still a set of values and standards designed in the global north and imposed on the south.

In agreement with Hoogvelt (1997), by removing structural binaries such as West and non-West, or conventional and postcolonial development, through a post-Marxist critique it is possible to identify inequalities at both global and local levels which are created temporally and spatially. As Radcliffe (2005) notes, such an approach offers development geographers a route to avoid notions of othering or romanticising about places by instead introducing analysis of a variety of social and political factors to deconstruct categories of low income countries and un-mask power relations within local places. This answers an earlier challenge posed to research by Skelton and Allen (1999: 5) who state that 'diversity must be respected and reflected and indigenous knowledges must be investigated but not reified and romanticised'. As McCall (2005) argues, this starts a process to identify other forms of oppression that produce numerous inequalities that are not solely attributable to criticisms of global capitalism, but also due to other influential practices such as patriarchy and racism within locales.

Methodologically, using a postcolonial lens gives voice and identity to all, including subordinated (subaltern) peoples (Hoogvelt, 1997: 158), and provides 'complex and embodied accounts of lives and livelihoods' (Pollard et al., 2009:138) with which we can 'analyse the stuff of everyday postcolonial deprivation and desire' (Sylvester, 1999: 719) that postdevelopment studies fail to achieve. This 'stuff' includes needs and priorities, but also starts to emphasise the positions from which people speak, who actually speaks, for whom, and under what conditions. Such a process avoids ignoring the role of local politics and the power of some local elites (Kiely, 1999; Everett, 1997) as in reality some local leaders on village or local development project committees may serve to advance their own interests (Nustad, 2007: 43). The empirical sections of this thesis advance this argument by highlighting the existence of local hierarchies and power relations that directly or indirectly may serve the interests of some members of producer communities more than others. In such an

environment there may be individuals who are either unable or unwilling to act ethically or altruistically as is often desired by those who construct people-centred development approaches.

Since the aim of this research is to understand the impact of a people-centred development approach in a postcolonial production community and to look for possible lessons to extend potential benefits to a wider population, this starts with an examination of different social and political relations of control (Peet, 1999: 11). To think of understanding and possibly reworking power balances requires an examination of institutional environments that shape and govern allocating and distributing mechanisms. For this thesis, the above framework is employed as a lens to examine uneven 'local playing fields' as mechanisms of governance and the institutions that underpin them which operate at local as well as global levels.

## **2.7 Emergence and language of people-centred development**

So far the focus has been upon an exploration of macro trade and development legacies and critiques of associated policies that have created and continue to perpetuate uneven playing fields that represent the institutional environments in which members of producer communities are embedded. The final part of this chapter explores the emergence of micro-level alternative forms of development from which many of the practices of fair trade and philosophies emanate which attempt to affect inequalities and uneven relations. In that exploration, the critical framework outlined above is employed to highlight critiques of these approaches and show how those critiques represent challenges to fair trade.

So-called alternative development approaches have many aliases including community development, bottom-up development, grassroots development, human development, basic needs development, people-centred development, and participatory development. This thesis uses the term people-centred to refer to this collection of approaches following the introduction of this term by Korten and Klaus (1984). People-centred development shares many of the criticisms of development with those of the postdevelopment school, but it also retains faith in development as something needed and desired by all in search of better livelihoods.

### **2.7.1 Re-embedding social norms in global trade and production governance**

The earlier section (2.5.3) discussed the neoliberal counterrevolution which Craig and Porter (2006: 3) use as evidence of (in reference to Polanyi, 1957) a second double movement. Against the backdrop of perceived failings of state intervention, and attempts to control commodity markets through International Commodity Agreements (ICAs), neoliberal policies of the 1970s and 1980s controlled by high income countries stripped away large elements of interventionism. Once again, therefore, macro trade and development programmes disembedded markets from social relations by promoting greater autonomy in the market to regulate global trade and production.

Arguably, the second half of this more recent double movement is represented by efforts (in particular since the 1980s) to re-embed markets within social norms led by civil society movements (such as NGOs and campaign groups) instead of purely state-led initiatives. These efforts represent practical approaches by implementing ‘alternative’ institutional arrangements within spaces of global networks to re-assert the importance of social and environmental norms to trade and development whilst remaining within, not against, the market.

This idea of re-embedding markets under the governance of civil society determined institutions has led some to write about the idea of moral economies (see for instance Booth, 1994; Powelson, 2000; and Sayer, 2001, 2004). It is not the intention of this thesis to advance thought on moral economies per se, but to highlight the return to focus on moral practices within economic activity and how they shape reactions to the perceived failures of previous activities on the livelihoods of millions in poverty. For instance, Sayer (2004) in his work on cultural political economy discusses moral economic study as one that focuses upon the influences of moral norms on economic activities. This also reinforces one of the arguments of this thesis for the need to focus on social and cultural factors that affect economic activities.

Moral norms and practices such as fights for fairness in economic transactions, social justice, and more political equality represent the approaches that contemporary social movements (such as fair trade) suggest need to be embedded in global trade and production networks in order to deliver more positive livelihood changes to those in

producer communities perceived to be constrained by poverty. Practices such as paying fair wages, preserving the environment, and promoting worker rights have become rules of the game that numerous fair and ethical trade movements wish to see adopted in the sourcing of commodities and, in so doing, create new forms of moral codes in trade and development practice. Some of these practices to promote moral governance may become formalised through standards such as those of the FLO or through efforts to galvanise informal institutions such as kinship. As is critically discussed later in this thesis, these practices do, however, rely upon an ability or willingness to abide by such rules of the game.

### **2.7.2 People-centred development**

The origins of attempts to approach development in alternative ways to structural top-down policies (in particular in reaction to disappointments with the approaches inspired by modernisation and dependency theories) can be traced to the late 1960s, specifically to the work of Seers (1971). Seers suggested a need to reconfigure development approaches to place those seen as poor or marginalised (as the intended beneficiaries of development) central to the development process enabling a focus on ground level moral concerns or symptoms such as poverty and inequalities, opposed to a sole focus on top-down economic growth prescriptions. As Parnwell (2001) states, this work has been influential in reinterpreting the meanings of development, recognising it as multi-faceted and based upon various basic needs.

Traditionally, approaches to people-centred development have focussed on change processes such as the redistribution of power and transforming institutions, with the aim that people should be empowered to be able to take action to meet their own needs. Such a human development aim has reference to Schumacher (1973) who advocated small-scale development ideas to ‘help people to help themselves’ by providing tools for self reliance and through localised or community based production and ownership to meet basic needs, by finding ‘out what people are doing and help them to do it better’ (Practical Action, 2007).

Through the 1990s people-centred development increasingly entered the discourse of mainstream development institutions. In part inspired by the Brundtland report,<sup>25</sup> Nussbaum and Sen's (1993) capability approach and Korten and Klaus's (1984) people-centred development approach to promote justice, sustainability, participation, and empowerment represented this shift. This change of focus inspired two particular alternative initiatives to the neoliberal development project: the UNDP's Sustainable Human Development (SHD) approach<sup>26</sup> and the report of the South Commission (Nyerere, 1990).

In their language both of these initiatives embrace the move towards a re-focus upon human needs and the involvement of a broader range of actors in the development processes. Emphasis is placed upon targets such as enhancing choice, freedoms, independence, and living standards that should be rights for all. Increased attention on the importance of rights for all was the result of, as Gready and Ensor (2005) discuss, a shift through the 1980s and 1990s as rights-based approaches (RBAs) became central to international development discourse and practice. Formal recognition of poverty caused by inequalities was reflected by the endorsement of RBAs by a range of international institutions. Initially promoted as state-led initiatives, as Manzo (2003) notes, through the 1990s there was also increased proliferation of a human rights language among non-state actors such as NGOs. This language of human needs and rights of people-centred development and participation is captured in the two following statements: 'the ultimate test of development practice is that it should improve the nature of people's lives, founded on participation and a more equal partnership' (SHD in Gore, 2000: 795); and the South Commission's report writes of such development as 'a process which enables human beings to realise their potential ... [by being] ... an effort of, by, and for the people ... [meaning] ... true development has to be people-centred' (Rist, 2008: 202).

More recently, goals that aim to enhance basic human capabilities by ensuring the provision of basic needs and human rights are found in the UN's Millennium Development Goals (UN, 2008). The MDGs share with RBAs commitments to

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<sup>25</sup> The Brundtland report published in 1987 is regarded as the birth of the sustainable development approach.

<sup>26</sup> First report published in 1990 and each subsequent year, located at: <http://hdr.undp.org/en/>



promote human rights for all, give voice to all, and break from top-down ‘one size fits all’ approaches to development. Despite worthy goals and political commitments, the impacts of such initiatives remain unclear. Action Aid (2008), for instance, highlight a lack of impact on two central concerns related to poverty: the rights of the disempowered and excluded.

The discourses of people-centred development are laden with ideas of meeting the basic needs of individuals, families, and communities delivered at local levels through participatory processes. This discourse is often associated with an emphasis on targeting the rural poor through smaller-scale projects as opposed to targeting larger, industrial, urban projects. As discussed by Craig and Mayo (1995) and Kelsall and Mercer (2003), among others, central to such contemporary development discourse are the ideas of community participation and empowerment, both of which can be defined, interpreted, delivered, and problematised in many ways, as the following discussion demonstrates.

### **2.7.3 Language of empowerment**

The concept of empowerment is often embedded within the wider approach of community development. The origins of its use in terms of people-centred development can be traced to three particular sources, the first of which is from feminist literature and movements to promote women’s rights. Feminist writers such as Longwe (2000), Stein (1997), and Waylen (1996) are among those who discuss the influence of the emphasis on the empowerment of women and how that language has migrated to other people-centred development approaches.

Within this literature, Karl (1995) discusses how there is no true participation and development without equal participation, nor can there be democracy where exclusion exists. According to Dahl (1998), among the criteria required for a democratic process are effective participation and equal opportunities to vote. In absence of such criteria, desirable consequences of people-centred development such as equality, rights, and freedoms will be restricted. From a feminist critique, Rowlands (1997) determined a category of power relations in empowerment processes such as ‘power over’ and ‘power to’ which refer to capacities to influence and challenge hierarchies and constraints. For example, power over specifically refers to ability to influence as a

result of social and political empowerment as a result of participation and democracy. These have been further advanced by others and are referred to in more detail in Chapter Five to facilitate definitions of measures of empowerment.

The other two sources are from the works of Freire and Schumacher who both stressed the need to empower the poor through direct action at the grassroots level. Freire's (1972) ideas of popular education aimed to work for the poor by raising awareness to build capacities to develop consciousness of inequalities and promote struggles for social justice. Schumacher's conceptualisation of empowerment stressed the need to focus on agency<sup>27</sup> that needs to be expanded if the powerless are to become agents of their own development (Craig and Mayo, 1995: 5) by enhancing their assets and capabilities (Ibrahim and Alkire, 2007). From these origins there have been numerous definitions of empowerment both in terms of sets of strategies and outcomes. The principal instruments to empower and desired outcomes are summarised in Table 2.1, derived from empowerment definitions of a range of authors (Albu, 2008; Allen and Thomas, 2000; Alsop and Heinsohn, 2005; Barrientos and Smith, 2007; Bird and Snedker, 2002; Friedman, 1992; Gaventa, 2007; Luttrell et al., 2007; Narayan, 2005; Rowlands, 1997).

Empowerment strategies and tools	Desired empowerment outcomes
<ul style="list-style-type: none"> <li>▪ Participation</li> <li>▪ Partnership</li> <li>▪ Power redistribution</li> <li>▪ Transform institutions</li> <li>▪ Enhance freedoms</li> <li>▪ Democracy</li> <li>▪ Transparency</li> <li>▪ Support social capital</li> <li>▪ Promote co-operation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Autonomy</li> <li>▪ Control</li> <li>▪ Ownership</li> <li>▪ Self reliance</li> <li>▪ Expansion of assets and capabilities</li> <li>▪ Ability to make choices</li> <li>▪ Poor to act as agents of their own development</li> </ul>

**Table 2.1 Language of empowerment**

<sup>27</sup> Agency is defined as the capacity to act freely and independently (Luttrell et al., 2007) and people's capacity to affect social change (Nederveen Pieterse, 1998: 345).

As empowerment entered the vocabulary of mainstream international institutions, its definition was encapsulated by the following two notions as: ‘the sharing by people in the benefits of development, active contribution by people to development, and involvement of people in decision making in society at all levels’ (UN, 1979 in Desai, 2001: 117) in order to ‘empower ordinary people to take charge of their lives, and to make communities more responsible for their development’ (World Bank, 1989 in Rowlands, 1997: 1).

As stated above, empowerment is closely associated with gender issues, but in its application in people-centred development it is relevant to any group seen as economically, politically, or socially marginalised (Albu, 2008). Therefore, as Luttrell et al. (2007) outline, empowerment has various dimensions, primarily being:

- Economic empowerment – access to assets and resources for incomes
- Human empowerment – skills and capabilities to enhance livelihoods
- Political empowerment – organise and mobilise through collective action
- Social empowerment – social processes to gain control over lives

As with all definitions of empowerment, such categorisations can be fuzzy and open to critique due to the difficulty of objectively identifying empowerment. Arguably, however, these definitions serve as a useful starting point for framing an empirical enquiry, as this thesis outlines further in Chapter Five.

Viewing empowerment as a process of changing the abilities of those defined as disempowered members of society to be able to increase the governance of factors that affect their livelihoods, Longwe (1991) charts five degrees of empowerment in her gender awareness framework. In this framework the first empowerment outcome that needs to be realised is a welfare target of satisfying basic needs such as food, water, clothing, and shelter for individuals, families, and communities. Once such needs are met then in theory further degrees of empowerment can be sought. These include tackling unequal control and access to resources; addressing discrimination; promoting participation towards equal decision making; and obtaining control so that decisions are fully recognised with an authoritative voice. In theory participation means that people are closely involved in processes affecting their lives, an approach famously championed by Chambers (1983) who outlines that participatory approaches seek to empower by putting the last first. Through such processes people would be

empowered to understand the reality of their situation and then seek to influence that reality. Such a conception of a 'path to empowerment' has links to the work of the liberal American psychologist Maslow (1943) who describes a hierarchy of needs that must be satisfied in order for the highest need of self actualisation to be realised. Reference can also be made to Nussbaum and Sen's (1993) capabilities approach that emphasises the need to expand the functionings and freedoms of human beings.

Referring to critiques of 'how to develop' prescriptions outlined earlier in this chapter, conceptions of a path to empowerment can also be criticised for assuming knowledge of others and other places. Such assumptions marginalise focus on embedded social and political contexts that may inhibit livelihood enhancement outcomes through acquiring human empowerment skills such as education. Having freedoms, such as formal education, is one thing, but having capability or opportunity to employ that education is another (Sen, 1999). These critiques are addressed in later sections of this chapter regarding expectations from fair trade. The inhibitive influence of an uneven social and political context is discussed in empirical chapters Six and Seven.

These aims of empowerment are essentially political with reference to language such as changing access, participation, and control. The roots of empowerment are clearly informed by Marxist thought in talking of opposition to oppression, injustice, and domination. Adopting such language, people-centred development can be defined as a post-Marxist approach that is (in theory) socially and politically engaged in a specific geographical location. Unlike structural development approaches, people-centred development approaches aim to operate in different ways, in different places by harnessing forces such as increases in global trade. This forms the basis of fair trade efforts to shift social and political relations in the trade of commodities so that those with less control and influence become more empowered to positively affect their livelihoods.

Central to the approach to affect levels of control and influence is the promotion of democracy. Sen (1999) discusses the ideological popularity of democracy as a mechanism of government to broaden the spectrum of choice through civil liberties and political rights. He concludes that 'enhancement of political and civil freedoms is central to the process of development itself' (1999: 287). However, he checks this by highlighting that abilities to exercise freedoms associated with democracy are

contingent upon the social and political environment in which people are embedded. In a particular environment Dahl (1998) outlines certain conditions that need to be in place in order for democracy to be most effective in promoting participation and quality. One of the principal conditions is that stronger democracies prevail when democratic beliefs and values are embedded in a culture and passed through generations. In the empirical chapters of this thesis I identify unintended consequences of exacerbating sites of exclusion as a result of imposing democratic principles into an environment that does not widely contain such beliefs and values.

#### **2.7.4 Language of community**

Empowerment of others is principally attempted in places that are normally conceived of as a community, often poor and rural, whose constituent members actively participate in efforts to define their needs and develop strategies to ultimately gain control over their livelihoods.<sup>28</sup> As Joseph (2002: vii) notes, among campaigners for greater fairness and justice from socialist and feminist origins, ‘community has connoted cherished ideas of co-operation, equality, and communion’. From such beliefs the idea of community as a space for delivering greater fairness and justice for different groups of people has become the foundation of numerous social causes.

The deployment of the term community, as Hoggett (1997) notes, generates associations with closeness, harmonious bonds, and togetherness to garner hope towards a better life. It emphasises ideas of trust, solidarity, and commitment. Such togetherness may be found in a place as a geographical community where people are (believed) to share common interests. It may also be found in the relations of sometimes distant groups of people with a shared interest, for instance, the community of fair trade advocates and practitioners located across the globe. As Joseph (2002: vii) argues, ‘identity based movements [such as fair trade] invoke community to mobilise constituents and validate their cause to a broader public’. The theoretical foundations for interest in community in a variety of people-centred development efforts over recent decades can be traced to work on the concept of social capital. Social capital is a concept that has become increasingly prevalent in discussions of moves to empower low income groups of people. The concept was

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<sup>28</sup> For example, see [http://www.traidcraft.co.uk/about\\_traidcraft/what\\_makes\\_us\\_different/vision\\_and\\_mission](http://www.traidcraft.co.uk/about_traidcraft/what_makes_us_different/vision_and_mission)

most famously popularised by the works of Coleman (1988) and Putnam (2000) and has since become enmeshed in empowerment and community development initiatives, increasingly deployed in mainstream interventions such as those of the World Bank, promoted as ‘the missing link’ in development strategies (Grootaert, 1998).

Social capital is commonly referred to as ‘the norms and networks that enable collective action’ (World Bank, 2009a) and so reaffirms the approach to work for common good at the community level. In theory, by enhancing networks of trust, solidarity, inclusion and cooperation, communities at a local level become stronger and more empowered to develop. In practice this is defined by Warren et al. (2001: 6) as a process of ‘building social assets as a way to empower, that is, to expand the capacities of poor communities to act to combat poverty’. Critically, Mohan and Stokke (2000: 255) argue the use of social capital has become popular as it is easily imagined as the ‘sociocultural glue’ that binds communities together.

In response to critiques, Putnam (2001) argues that social capital is not supposed to be seen as a ‘magic bullet’ of packages of policies, but rather as an analytical lens to look at networks of relations. At this level and for this thesis, social capital is a useful concept methodologically in terms of identifying connections between different groups of people. As summarised by Pretty (2003), three types of connectedness have been identified: bonding, bridging, and linking. It is particularly useful to reflect upon bridging (or horizontal) intracommunity relations and processes and linking (or vertical) extracommunity (trade) relations and processes in identifying the existing institutional environment. This contributes to the development of a Postcolonial Agricultural Production Network (PAPN) in Chapter Three as a framework of analysis that incorporates multi-scalar relations and processes.

#### **2.7.5 Community empowerment in practice: cooperative contract farming**

In agricultural sectors, development practice to empower using the idea of community has frequently been operationalised as part of contract farming initiatives. This has taken place by either supporting existing groups of primary commodity producers or developing new ones in the form of, for instance, co-operatives or outgrower schemes. Generally the aim and expectation is that by empowering a producer group the members of that group and others in their locale will benefit from the greater returns

to that community. That empowerment comes from economic growth in the agricultural sector which, for trade for development movements (such as fair trade and MMW4P<sup>29</sup>), is seen as a principal route to reducing poverty in developing countries (Almond and Hainsworth, 2005; Dorward et al., 2004; Lines, 2005; Oxfam, 2002; Traidcraft, 2007). This section explores such approaches by briefly reflecting upon the history, definitions, and practice of contract farming and cooperatives. This provides a background to the rationale of approaches taken by those involved in establishing the KCGL scheme in Malawi.

As discussed earlier in this chapter, under colonial rule many parts of the world were embedded in agricultural modes of production. Following independence, agriculture and rural development was promoted by many developing country governments and international development agencies. As Dorward et al. (2004) note, between the 1950s and 1980s the state played a significant interventionist role in agricultural sectors. Through institutions such as parastatals and state marketing boards, small-scale producers were provided with support in the form of inputs, credit access, and guaranteed markets and prices.

During the same period, as Singh (2005) identifies, the practice of contract farming grew significantly in high income countries. For instance, referring to Little and Watts (1994), by 1980 one-third of total US farm output was produced under contract. From the perceived economic development successes of such schemes, and increasing critiques of state-controlled agricultural sectors in many low income countries, contract farming was promoted as part of international development programmes.

As discussed in section 2.5, in response to perceived failings in state-led development due to inefficiencies and corruption, free market-led solutions were promoted by the 1980s as the best route to development. As part of the neoliberal counterrevolution many donors and international development agencies promoted liberalisation and privatisation of economies and markets that formed elements of SAPs. This led to a general dismantling of many state-controlled agricultural support services and

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<sup>29</sup> A variety of Make Markets Work For the Poor (MMW4P) initiatives have been promoted, for instance see [http://practicalaction.org/markets-and-livelihoods/production\\_and\\_markets](http://practicalaction.org/markets-and-livelihoods/production_and_markets)

therefore exposed many low income farmers and agricultural labourers to international market forces.

The result of these processes in many contract farming arrangements in developing countries was a shift in the governance of contracts to purchase agricultural commodities from public to private hands. Baumann (2000) and Singh (2005) discuss some opposing views of this situation. Neoliberal proponents argue that contract farming under private control provides contracted producers with greater access to training, inputs, credit, and sustainable prices based on the efficiencies of free markets. Neo and post-Marxists arguments, however, highlight concerns with issues of unequal power relationships and subordination<sup>30</sup> associated with such arrangements. These concerns are supported by this thesis as discussed in Chapter Seven.

The reduction in state control, increase in private contractual arrangements, and the rise in 'alternative' commodity purchasing such as fair trade and organic products have resulted in more and new forms of producer organisations. Bijman and Ton (2008), Lacey (2009), Singh (2005), and Valentinov (2007) discuss the best known form of producer organisation, a cooperative. Referring to the ICA (2007: np) definition:

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Such language attributed to cooperatives has become central to the discourse of social economic development movements such as fair trade, and is common with the language of empowerment discussed earlier. Themes and principles as ingredients towards the success of cooperatives such as access to information, democracy, participation, autonomy, and concern for the local community underpin many of the

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<sup>30</sup> For instance see Little and Watts (1994).



standards of fair trade (FLO, 2009a; Lacey, 2009). The assumption associated with promoting social inclusion and solidarity in producer groups is that cooperation in this way will lead to a stronger producer voice and more bargaining power on the part of disempowered producers. In contract farming arrangements it is hoped that this cooperation not only improves market access but also affects the balance of control and negotiation of contracts between producers who grow and harvest crops and the exporter or processor who purchase their produce.

## **2.8 Problematising community empowerment**

In tandem with the increased popularity in the language and practice of community empowerment initiatives has been an emerging scholarly critique of such approaches. In a similar vein to Ferguson's (1994) critique of not questioning development, Joseph (2002) highlights the danger of fetishising the idea of community. She advances concern with unquestioned faith in community with reference to feminist poststructuralists who identify an argument that communities may be disciplinary and exclusionary. These concerns form the basis of discussion in Chapter Six.

Whilst recognising clear worthy goals and intentions contained within people-centred approaches, this section presents critiques to question and problematise the language of community and empowerment. As this thesis progresses it is argued that well intended social development programmes may conflict with embedded social and political configurations leading to unexpected or unintended outcomes. Using the framework for a critical postcolonial reflection on development, similar critiques applied to postdevelopment thought are applied here to challenge notions of community, empowerment, and participation to analyse gaps between goals (or rhetoric) and reality (Baaz, 2005; Desai and Potter, 2001). These critiques are used to inform the empirical analysis of a Fairtrade certified producer group in this research.

The intellectual foundations for such critique can be found in the work of a number of scholars. Particularly focussing upon the participation language within people-centred development, Cooke and Kothari (2001), Hickey and Mohan (2004), Kapoor (2008), and Radcliffe (2005) all draw on postcolonial reflection to question the unquestioned glory of participation (Cooke and Kothari, 2001). This is achieved by examining assumptions and politics in community empowerment approaches, the ability of one

group to define needs of others, and to identify any factors or unintended consequences which still prevent the voice of some being heard.

### **2.8.1 Romanticising the local**

In section 2.6.3 one of the key criticisms of postdevelopment thought was its tendency to essentialise and romanticise the local. In assessments of participatory empowerment approaches some scholars have written about similar pitfalls with consequences for the level of empowerment impact. For instance, Mohan and Stokke (2000) discuss the often convenient use of community as a concept that tends to portray local communities and embedded social systems as good and harmonious. More broadly, this links to ‘othering’ critiques of contemporary development by Ferguson (2006) and Mudimbe (1988) who discuss the continued invention of Africa as one homogenous dark continent to be developed.

Exploding the idea of the harmonious community, Cleaver (1999), Joseph (2002), Craig and Mayo (1995), Mayoux (2001), and Storey (2000) argue that such an idea of unequivocal good in ‘community’ is a myth, and the danger of over-emphasising this view is to mask realities of many differences within local places that can be exclusionary. Inequalities may then be perpetuated. In reviewing community-based natural resource management schemes in Malawi and Botswana, Blaikie (2006) explores an example of this. He refers to the externally defined ‘warm emotional pull’ of community and how the local is ‘black-boxed’ in order to make it manageable to simplify complexities.

In practice, faith in the local is operationalised through NGO models of collective movements that presuppose cooperative economic units are possible (Galjart, 1995) to empower by economising transactions costs and developing some form of ‘countervailing power’ (Valentinov, 2007). Such unquestioned faith in co-operation and collaboration echoes Escobar’s neo-Marxian collectivisation toward a common good theory, thus again essentialising the local. However, as Valentinov (2007) notes, incentive problems highlighted by agency theorists, such as common property disputes and ability to monitor and reach decisions, may increase as group size moves beyond family farms toward estate models.

Whilst there are potential beneficial gains from pooling resources, cooperative development can strain local resources. Also, such modelling assumes ability or willingness to co-operate on the part of community members which downplays tensions between meeting individual basic needs versus collective goods. As Parnwell (2001) states, romantic visioning of egalitarian rural community movements based on socialist principles of collective ownership<sup>31</sup> assumes high levels of altruistic behaviours. It also marginalises the influence of neo-liberal governance on the promotion of self interest that is in conflict with ideas of operating towards a communal good. As I explore in later chapters, in reality there are some who are unwilling or unable to cede any form of power towards the interests of a wider community.

### **2.8.2 Social and political blindness**

Similar to criticisms of the concept of community, whilst social capital may be a convenient term for the purpose outlined above, it remains a vague concept that is hard to determine and visualise. More broadly, attempts to empower through participation and cooperation, with which social capital is associated, can be in danger of becoming blind to hierarchies, thus obscuring asymmetries and embedded strata of social and political power in communities (Constantino-David, 1995; Desai, 2001; Hickey and Mohan, 2004, MacLeod, 2001).

In agreement with Parnwell (2001), it would be naïve to believe that simply by organising people into some form of cooperative organisation, automatically levels of trust and inclusion increase. For that to happen there are assumptions of perfect information among all actors; that through organising transaction costs would decrease; and that self-monitoring would lead to harmonious outcomes. In reality, as Kelsall and Mercer (2003) identify, there are no homogenous communities or level playing fields. Instead there are asymmetries in information and power embedded between and among different groups of people engaged in places such as a sugar production community.

Downplaying social inequalities and uneven power relations in local communities may mask the fact that local culture may be oppressive (Cooke and Kothari, 2001:

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<sup>31</sup> Parnwell (2001) refers to Friedman's collective consciousness theories of collective ownership.

47), therefore leading to unintended outcomes (Ferguson, 1994: 20). For instance, examples of the empowerment of a group of elites (such as traditional village chiefs) versus the majority, leading to elite gains and failings on the part of an elite group in their responsibilities towards lower income members of their communities are discussed by Blaikie (2006), Chisinga (2008), Eldis (2009), Hickey and Mohan (2004), Kelsall and Mercer (2003), and Luiz (2009). The empirical chapters of this thesis explore the extent to which such outcomes are evident, including the issue raised by Luttrell et al. (2007: 7) and Hickey and Mohan (2004: 86) regarding the appearance of those already holding positions of influential governance in committees designed to empower a wider majority.

### **2.8.3 Neglecting exclusion and discrimination**

A potentially significant consequence of such romanticism and blindness highlighted here is to neglect issues regarding exclusion and discrimination. In its language, a people-centred approach such as fair trade promotes the rights of those seen as poor and disadvantaged. Furthermore, within the language of empowerment lie social and political aims to challenge oppression, injustice, and domination. Given such aims, in agreement with Perrons (1999), McIntyre (2008), and as argued in section 2.6.3, there is a need for greater sensitivity to issues of political economy at the local level such as how rights are affected by class relations that a post-Marxist analytical lens facilitates.

From feminist and post-Marxist perspectives, Longwe (2000), McEwan and Bek (2006), Rowlands (1997), and Sweetman (2000) argue that despite (community) empowerment being a political project, in practice empowering others has often been a technical, apolitical project. They point out that the most popular contemporary development strategies have been to give ‘power to’ others through capacity building initiatives. Such initiatives focus on human capital empowerment aims such as leadership training and skills development to enhance peoples’ abilities to act. Critically it is argued that such approaches fail to challenge social and political obstacles such as unequal relations, inequalities, exclusion, and discrimination. In offering empowerment visions that may lead to more radical political outcomes these authors foreground issues of control. For instance, Rowlands (1997) and Longwe (2000) emphasise empowerment being more about increased control over, as opposed to only access to, skills and resources. An assessment of Fairtrade to

facilitate increased levels of control for more people forms part of the empirical analysis later in this thesis.

## **2.9 Conclusions: challenges facing people-centred approaches**

Fair trade has emerged as one response to the injustices of legacies of the principal regimes of practices in trade and development (Moore, 2004: 77) by adopting people-centred strategies toward development in an effort to engage with global markets and make trade work more for some of the world's lowest income producers. By referring to emerging literature regarding intersections between post-Marxist and postcolonial critiques in trade and development geography, this chapter has promoted a framework to critique people-centred approaches to trade and development. A politically engaged critical postcolonial reflection foregrounds issues concerning social and political relations to highlight and analyse multi-scalar uneven and unequal geographies of power. This demonstrates that there are no 'level playing fields' at either global or local levels. Therefore, to facilitate empowerment of a diverse group of others it is essential to not be blind to social and political influences embedded in a specific environment.

The preceding discussion, aided by the application of a critical postcolonial reflection to problematise community empowerment, has un-masked the following two primary challenges to the fair trade movement (including the Fairtrade system of the FLO) which are relevant when reviewing the findings from fieldwork later in this thesis. First, there is the challenge to avoid essentialising producer communities. In fair trade promotions, producer communities are often represented as homogenous, undifferentiated, and unproblematic rural economies (Luetchford, 2008: 145), but in reality they are hybrid entities. Referring to the work of Allen (2003) regarding diverse geographies of power, communities are contested and complex places (Mdee, 2009), full of institutional complexities. In not recognising such complexity 'cultural and romantic associations of peasant modes of production divert attention away from obvious inequalities between parties with different interests and capacities' (Luetchford, 2008: 165). This means empowerment and participation cannot be guaranteed through reliance on tools such as social capital without greater focus on issues of difference (Cornwall, 1999) that post-Marxist analysis highlights within the complex links and relationships that constitute postcolonial producer communities.

A second challenge that emerges from critiques of previous regimes of development practice relates to the idea of trusteeship. Referring to solutions to the development problem in the 19<sup>th</sup> century, Cowen and Shenton (1996: 4) define trusteeship as the process of ‘those who took themselves to be developed [acting] to determine the process of development for those who were deemed to be less-developed’. Whilst contemporary alternative development advocates denounce trusteeship due to its colonial associations, arguably any attempt to develop or empower others can be subject to trusteeship dilemmas and critiques. For instance, Mercer et al. (2003) and Rahnema (1996) both make cautionary points regarding approaches that aim to empower others when projects are developed by those with more power and may be designed to benefit the intervener.

The challenges related to trusteeship for this thesis are threefold. First, there is a point that genuine empowerment can never come from the outside; it can only come from within (Friedman, 1992: 77; Longwe, 2000; Luttrell et al., 2007: 7; McEwan and Bek, 2006). This is because those external to a place have incomplete knowledge of all of the strategies of government employed and embedded rules of the game. Second, when efforts to empower come from external agents there is a need for them to be facilitators and listeners to help build alliances (Rowlands, 1997: 137) and give voice to all, and not dictate or be too paternalistic. If the approach becomes either of the latter then there is a danger of creating new forms of dependency of one group upon distant others. Third, by offering alternative market spaces for producers to trade their commodities on ‘fairer’ terms, there is a danger of reliance on such spaces, and, therefore, some producers may become dependent on those spaces that are still subject to market forces such as consumer demand. Furthermore, by locking communities into the continued production of commodities that date back to colonial periods, there is a danger of preventing alternative forms of land use, ignoring indigenous knowledges, and requests to diversify to alternative income streams.

From this summary there are clearly challenges and critiques that can be applied when examining fair trade in the context of community empowerment. Reference is made to these as the critical analysis of empirical data unfolds later in the thesis. In particular, challenges to account for, un-mask, and address uneven local playing fields and

specificities of complex uneven social and political relations in production communities.

Developing an analytical framework for this thesis, the next chapter begins with a focus on global commodity links by reviewing a range of economic geography tools to trace global flows of commodities. This identifies the contributions of these approaches to highlight nodes of governance and institutions discussed in this chapter. It also identifies shortcomings to those approaches and proposes extensions with reference to the critical postcolonial reflection developed in this chapter. It is argued that extension to incorporate a deeper and broader focus upon social and political issues at the local level of analysis facilitates a more nuanced, grounded account of governance and institutions embedded in a producer community.

## Chapter 3

# Extending global production networks: analysis of postcolonial context

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### 3.1 Introduction

The previous chapter identified forms of governance and institutions in the global production of agricultural commodities. The forms of governance within global networks have been shaped by the legacies of a variety of regimes of practice, including those of the formal institutions (such as the WTO) that govern international trade of commodities such as sugar. In that process the distributions of governance and welfare gains from the production and marketing of commodities have remained uneven. Furthermore, over time the spaces and places of trade and development have become more complex as the interdependencies of relations between global and local governance systems and institutions have increased.

This chapter develops an appropriate analytical framework for understanding and analysing such complex global agricultural commodity networks and contexts of uneven local postcolonial places. The development of a Postcolonial Agricultural Production Network (PAPN) as a framework for analysis begins by presenting and reviewing various approaches developed over recent decades to analyse contemporary global commodity networks. A review of approaches highlights principal contributions and shortcomings of each, and culminates with an argument to adopt many of the facets of a global production network (GPN) approach. That approach emphasises the need to analyse forms and degrees of governance and embedded institutions.



I then argue that to account for the complex environments in which economic agents such as Malawian low income producers are embedded, extensions to the GPN approach are required to form a PAPN framework. The argument for this extension refers to two important challenges facing fair trade that were outlined at the end of the previous chapter: accounting for heterogeneous producer communities and not being blind to uneven multi-scalar social and political playing fields. This section identifies an analytical framework for this thesis to account for such complexity and extend the GPN approach. In that process I refer to the theoretical framework of a politically informed critical postcolonial reflection developed in the previous chapter and institutional analysis.

Justification for this approach is presented with reference to the fact that fair trade aims to affect both global (vertical) commodity production and marketing relations and those (horizontal) relations within local production communities. In support, recent publications by Bolwig et al. (2008) and the ODI (2007) highlight the need to integrate poverty into value chain analysis to pay attention to horizontal environments within which low income rural populations are situated.

### **3.2 Commodity chain and network governance**

Following the emergence of increasingly complex and varied agricultural production and marketing networks, social science researchers have sought to explain and analyse the impact of contemporary networks on agricultural sectors. These approaches represent attempts to move beyond nation-state level analyses influenced by classic theories that are increasingly seen as insufficient and ‘too thin to explain the richness of economic life’ (Sturgeon et al., 2008: 298). Instead there has been a general desire to theorise and analyse power relations and the influence of governance and institutions within cross-border commodity chains or networks to explain contemporary trade governance and flows.

Thrift (2002), for instance, highlights the contribution of recent work on commodity chains in geography and associated disciplines. The conceptualisation of commodity chains has been advanced by numerous authors (including Dicken, 2003; Gereffi and Korzeniewicz, 1994; Humphrey and Schmitz 2001; Jackson et al., 2006; Kaplinsky, 2000; Porter, 1990) and provides social scientists with various applied approaches to

understanding commodity chain governance and tools for analysing global supply chains through ‘value chain analysis’. Value chain analysis involves exploring the complex web of companies and other actors that affect production and consumption processes (Blowfield, 2001).

The following sections chart the principal approaches to value chain analysis referring to theoretical influences from related schools of thought. To provide some clarity regarding language and terminology, the first half of the chapter makes reference to approaches that use terms such as commodity chains and value chains and then progresses to talk of production networks, a term which represents the analytical foundation for this thesis. Despite the variations in terminology and some conceptual differences between these approaches, as Bair (2005:154) and Sturgeon et al. (2008: 318) identify, there is coherence in concern with a need to understand the role of power and institutions in shaping social and developmental dynamics of contemporary commodity chains.

Before proceeding it is necessary to return to the definition of governance that was introduced in the previous chapter as the manner or system of governing. For this chapter and the remainder of the thesis I present a more contextualised definition when looking at governance and associated rules of the game within commodity production chains or networks. Drawing on definitions provided by Gereffi and Korzeniewicz (1994: 97), Gereffi et al. (2001: 4), and Levy (2004: 944), governance is defined as the ability to influence or determine the rules, institutions, norms, and flows and allocations of resources involved in a commodity production network. This definition is applied in analyses of empirical data through this thesis.

### **3.3 World systems and value chains**

Under whatever name, value chain analysis generally seeks to provide frameworks to analyse political economies of international trade, production, and consumption. The theoretical foundation and inspirations for these approaches lie in the works of Wallerstein (1974), Hopkins and Wallerstein (1986), and Porter (1990) as the discussion below identifies.

### **3.3.1 World systems theory**

Influenced by the thoughts of the neo-Marxist dependency school, in his work on world systems Wallerstein (1974) describes an uneven, structural, modern, capitalist world social system of interdependencies. The hierarchies and exploitations within this system, he argues, create a historically formed international division of labour that structures the social organisation of work.

To describe historical production systems and associated divisions of labour, Hopkins and Wallerstein (1986: 159) seek to provide a framework to ‘construct and track relations among production operations across time and space’. To achieve this they developed the term commodity chain which they envision to be ‘a network of labour and production processes whose end result is a finished commodity’ (1986: 159). Their paper is often credited as the founding definition of the commodity chain term and their theory is still applied in historical research analyses (for instance by Roche, 2008).

In tracing commodity chains, Hopkins and Wallerstein’s arguments acknowledge that relationships between societies take place in a transnational global system of increasing networks of mutual dependencies and interactions of actors. Their construction of a chain to depict the division of labour in the production of a commodity starts with the final production operation and moves backwards to sources of primary raw material inputs. They term each major point of operation in a chain as a node, in which they identified four properties. Hopkins and Wallerstein (1986: 160-4) outline those properties to be ‘the commodity flows to and from the node and those operations that occur immediately prior to or after it...the relations of production (forms of labour force) within the node...the dominant organisation of production including technology and the scale of production unit...and the geographic loci of the operation in question’.

The utility of the conceptualisation can be seen in the sugar industry. There are clearly a variety of processes involved in the production of consumable sugar that take place in a number of different places. For instance, starting with one raw material, sugar cane, two examples of nodes would be sugar cane harvesting and milling. At another scale in the chain there are sugar refining factories. Within each of these nodes of

commodity production there are different production processes, labour relations, technologies, and form of production facility, each impacting on geographies of ownership, control, and influence over production and livelihoods. The commodity production nodes of sugar cane are examined in more depth in Chapter Four.

Whilst their work can be critiqued for being structural with a now out-dated focus on inter-national relations of production, Hopkins and Wallerstein highlight the historical influences of ownership and control of economic exchanges on the international division of capital and labour. This has reference to the influence of regimes of practices discussed earlier in this thesis. Also, there is postcolonial reference to legacies that have ‘locked-in’ certain parts of the world into producing raw materials with the use of cheap labour, an issue facing many embedded in postcolonial places. Finally, the four properties at each node of production outlined above have remained central components of subsequent value chain analysis approaches as the following sections detail.

### **3.3.2 Value Chains**

In addition to the influential introduction of the term commodity chains to recent analyses of commodity production and distribution in contemporary global processes, a second influential term is that of a value chain which has its origins in the work of Porter (1990). In his work on competitive advantage, Porter (1990) moves the analysis from the macro level of Hopkins and Wallerstein (1986) to a meso level of analysis of activities within a firm. As with nodes in macro level operations, these activities can be divided into a series of stages of tasks or processes such as production or marketing.

The concept of a value chain is introduced when it is argued that firms create value, and all activities within the operations of a firm contribute to that value. Therefore, the sum of a firm’s activity represents its value chain. One value chain does not operate in isolation, but instead through a series of linkages it is embedded in what Porter (1990: 42) terms a value system. A value system then represents all of the value chains involved in the production and marketing of a particular firm’s product or service and so includes not only the firm’s operations but also those of ‘downstream’ suppliers and ‘upstream’ buyers.

In conceiving value chains and systems with a focus on competitive advantage, Porter argues that ‘firms gain competitive advantage from conceiving new ways to conduct activities’ (1990: 41) in their value systems. The level of advantage a firm can gain depends upon its ability to influence and manage the entire value system. This links to the importance of abilities to govern that runs through this thesis and the impacts of control of the appropriation and distribution of value generated from production and exchange.

Porter’s work created a road map intended to be adopted by both corporations and governments to increase their competitive advantages in international competition. In applying his theory to developing countries, Porter felt that ‘the central task facing developing countries is to escape from the strait-jacket of factor-driven national advantage’ by reducing ‘dependence on such industries [for example, primary commodities] where exports are invariably sensitive to price’ (1990: 675). This relates to the issue of ‘lock-in’ highlighted by dependency theorists and Hopkins and Wallerstein (1986) that contributes to the constrained environment in which low income producers such as those in this research are located.

### **3.3.3 World systems and value chain contributions**

Although the terminology changes as new approaches have been developed for analysis, the ideas of commodity chains and value systems are at the core of all subsequent theories and models. The principal conceptual contributions of these ideas for this thesis are as follows.

First, relating to issues of governance, the above works introduce the notion that commodities are produced within complex systems that contain power relations, and the levels of influence or control over each node in a commodity chain vary. Furthermore, those governance systems have been structured and influenced by historical processes. Second, Porter’s work highlights that value is appropriated as economic actors seek cost advantages in their operations at different stages in the production and consumption of a commodity. Understanding the flow and control of the appropriation of value from commodity chains has become central to the notion of challenging unfair forms of governance and unequal exchanges.

The introduction of a focus upon governance and value at different points in the production and marketing of goods and services has been widely influential in social science research. The idea of commodity chains has facilitated processes to identify the roles of a broader set of actors and processes at a meso level beyond merely focussing upon nation states. Arguably meso level actors such as multi-national companies (MNCs) and processes such as foreign direct investment (FDI) have become more dominant than state actors and processes in determining the governance of and value appropriations from commodity chains. This is in line with a post-Marxist approach that seeks to critique relations and processes beyond structural levels.

Identifying and analysing these actors and processes within production systems at this scale and linking the concept of value appropriation to governance has enabled research to examine those controlling key nodes in a value chain (by creating barriers to entry<sup>32</sup>) who determine winners and losers from production in a chain. For instance, linking commodity chains and value, Dicken (2003: 306) uses the term production chains which he defines as a 'transactionally linked sequence of functions in which each stage adds value to the process of production of goods or services'. In general, value is added to a product as its development moves from low to high value goods, where economic value is extracted at various stages by increasingly powerful operators. Kula et al. (2006) also discuss the use of value chain analysis to build a picture to help identify where constraints and opportunities to add value exist in a chain.

In support of this notion, Hoogvelt (1997:144) notes that the 'historical development of capitalism on a world scale concentrated higher value activities at the final consumer end of the production chain, while largely leaving low value activities in underdeveloped lands'. Castells (1996) also notes the dominance of higher value goods in a global trading environment that is increasingly shrinking in time and space.

Despite these significant contributions that have informed subsequent forms of value chain analysis, world systems and value systems theories in themselves have

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<sup>32</sup> Barriers to enter particular markets or value chains may be in the form of protective subsidies or lack of infrastructure in rural areas, or lack of market knowledge, for instance.

shortcomings in terms of application to this thesis due to their principally structural focus. There is a tendency to over simplify by not grounding analysis in particular networks or commodities and not focussing upon specific analysis of the co-ordination of markets, the roles of different actors, and sites of significant governance in a chain. As Peet (1999) argues, such approaches offer little account of the complexity of reality. The following sections explore the subsequent forms of value chain analysis developed as this chapter looks toward more complex approaches to generate grounded accounts of postcolonial agricultural networks.

### **3.4 Global commodity chains**

As highlighted above, the focus on value appropriation and governance of value distribution in commodity chains led some social science researchers in the 1990s to develop global commodity chain and value chain approaches to analyse these processes. The emergence and contributions of each are outlined below. Both significantly focus upon the global as opposed to the inter-national, therefore incorporating a wider set of actors and processes beyond nation state relations. This is a reflection of the closer integration and management of activities that connect businesses, workers, and consumers in multiple places in the contemporary globalised world.

Building upon concepts from world systems and value system theories, Gereffi and Korzeniewicz (1994) created the concept of Global Commodity Chains (GCCs). GCC analysis was defined as ‘a network centred and historical approach to analyse structure and change in the world economy’ (1994: 2). Referring to definitions of commodity chains and governance already outlined, in GCC analysis the power of actors within a chain is represented by the extent to which an actor (often a lead firm<sup>33</sup>) can control and influence the international space of commodity trade.

GCC analysis focuses on grasping the realities of contemporary global industry organisations (Coe et al. 2008a) of production, trade, and consumption. It therefore starts to move analysis from structural inter-national core – periphery views of the world associated with world systems and dependency theories, towards a more

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<sup>33</sup> Commonly referred to as a multi-national company (MNC).

nuanced postcolonial understanding of grounded realities.<sup>34</sup> The GCC approach places the analysis into specific spaces that constitute complex networks and relations within commodity chains of global firms and MNCs. In so doing, GCC analysis firstly introduces some of the global institutions that shape society and their role in influencing trade and development. Secondly, it enables research analysis to the micro level to acknowledge the influence of local agency<sup>35</sup> (firms, people) whose knowledge asymmetries also directly impact upon the shape and governance of commodity chains.

Due to the impact of global forces, Gereffi and Korzeniewicz (1994) charted the rise in dominance of US retailers and garment manufacturers in their commodity chains. The GCC framework is used to chart the increase in power of global buyers as a result of more highly concentrated purchasing power. The framework distinguishes between ‘buyer-driven’ and ‘producer-driven’ chains. Chains are deemed to be buyer driven when a small number of firms are able to exert significant control over a large number of independent suppliers through their purchasing practices. Buyer driven chains tend to appear in labour intensive markets, with production decentralised from the lead firm to a network of low income country contractors. Frequently cited examples of buyer driven chains include those of branded garment companies such as Nike and Gap. Producer driven chains exist in capital intensive markets where a parent MNC possesses (or subcontracts to) a number of foreign affiliates through which it engages in intra-firm trade in co-ordinating production networks (Gereffi, 1999).

### **3.5 Global value chains**

The original work on GCCs focussed upon manufacturing production chains and the power relations therein. Over time the concept has been refined to produce the Global Value Chain (GVC) framework which has been increasingly employed by researchers to analyse a range of commodity chains, including agricultural commodities such as coffee (see for example Bedford et al., 2002; Daviron and Ponte, 2005; Gibbon, 2001b; Humphrey, 2005; Nadvi, 2004; Ponte, 2004; and Slob, 2006). It is therefore a useful framework to explore for this thesis.

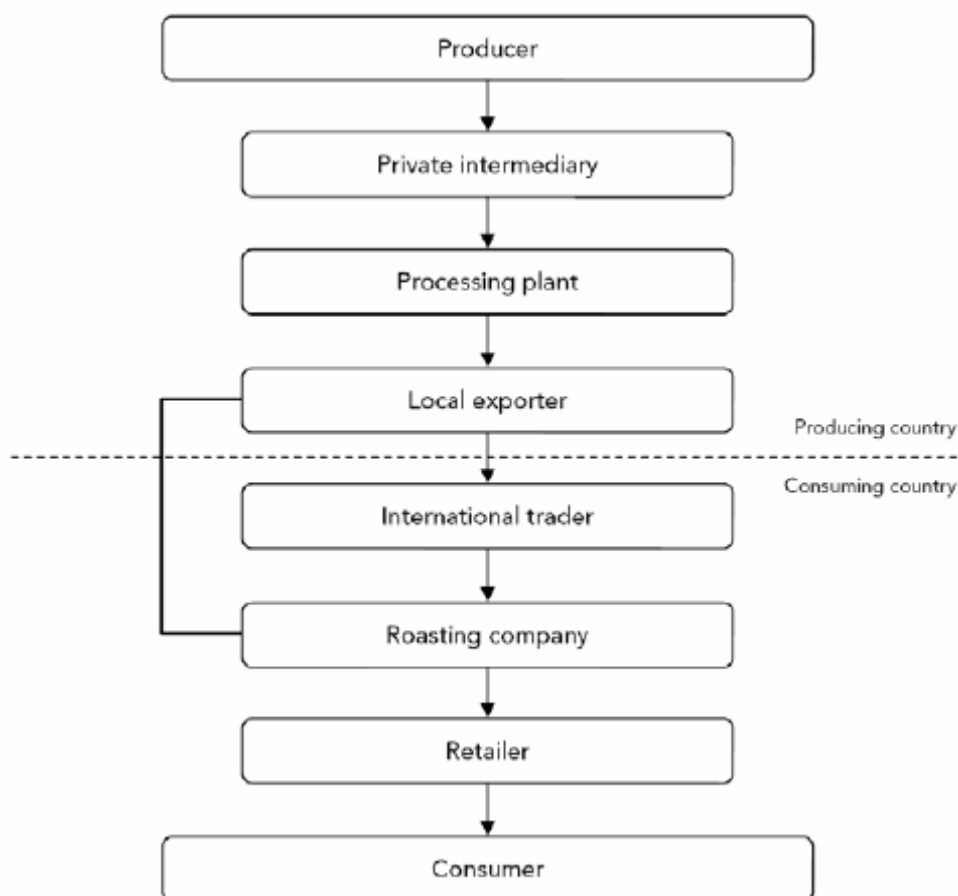
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<sup>34</sup> In section 3.5.4 I discuss shortcomings to GCC and GVC analysis and refer to the use of postcolonial reflection to extend analysis.

<sup>35</sup> Defined in Chapter Two as the ability to act and make decisions to have effects.



The GVC approach adopts the notion of buyer driven chains and the role of lead firms from the earlier GCC work to acknowledge the power of large manufacturers, processors, and traders in commodity chains. An initial stage in this approach is to identify such actors and the key co-ordination points in a commodity chain. As Humphrey (2005: 1) defines it, the GVC approach ‘places particular emphasis on the coordination of different actors along the chain of activities involved in the production, processing and distribution of products’. Similarly, Slob (2006: 22) refers to the concept of the global value chain as one that ‘describes input and output relationships and identifies key actors who play a critical role in coordinating production in the chain’. In representing the constituent elements of particular value chains, Daviron and Ponte (2005) note how ‘value chains for agricultural products have been organised around a fairly stable division of labour’. This is often depicted in the form such as that in Figure 3.1:



**Figure 3.1 Mainstream coffee chain**

Source: Slob, 2006: 23

### **3.5.1 Global Value Chain governance**

In the previous chapter the concept of governmentality was introduced as a mechanism to examine particular regimes of practice of those who govern in society that are intended to shape, guide and govern the behaviours of others. It also pointed to analysis of the rules of the game and the processes through which authority is exercised. Then the focus was principally upon public or state-led trade and development regimes of practices such as liberalism and colonialism. In this chapter the enquiry is extended to also consider particular means and practices of mechanisms of government employed by private sector actors. Employment of governmentality in this way can aid understanding of corporate responsibility, such as contemporary forms of private regulation (Hughes, 2001).

Furthermore, in the discussion of the history and legacies of regimes of practices in international trade and production in the previous chapter, it was highlighted that in stratified societies certain economic actors occupy co-ordinating positions of control. In this chapter governance has been defined as the ability to determine or influence critical controlling mechanisms in commodity chains. GVC analysis provides a tool with which to explore different forms of co-ordination of economic activity that represent the terms under which all economic actors must operate. By identifying the co-ordinating nodes of governance it is then possible to locate which actors appear to occupy the positions of greatest influence.

A call for more focus on politics and power relations in order to recognise diverse geographies of power is the central thesis of Allen (2003). Of relevance to this thesis, he states that 'it is through this varied understanding [of how power exercises us] where we are able to recognise the powerful and not so powerful forces that face us, that the possibility for empowerment lies' (2003: 12). It is by introducing the concept of governance to the analysis and thus focussing on issues of political economy (Morris, 2001) that research can begin to look at power relations to identify key nodes of power and negotiations of value share and, therefore, how and why benefits from increased global trade continue to bypass large populations in the world. For instance, research might focus upon why areas such as Sub-Saharan Africa (SSA) remain heavily reliant upon income from primary commodities for whom terms of trade have been deteriorating. This contribution is recognised by Kaplinsky (2000) who identifies

how GVC analysis can be used to both explain and analyse the widening disparities in incomes and unequal exchanges.

Gereffi et al. (2005) develop the concept of governance and co-ordination of value chains beyond the more simplistic buyer or producer driven notions to recognise a more complex set of processes. They identify five types of global value chain governance: hierarchy, captive, relational, modular, and market. In application, Dolan and Humphrey (2004) use this typology to analyse and describe recent changes toward a more intensely integrated set of global sourcing relationships in the trade of fresh vegetables between Africa and the UK. In this thesis the typology is used to highlight differences between fair trade theory and lived experiences of Fairtrade. Market value chains are described as fairly straightforward transaction systems where the central mechanism is price, determined by the 'invisible hand' of the market; therefore, such chains represent the lowest degree of co-ordination. In contrast, hierarchical chains contain the highest degree of co-ordination and tend to incorporate those chains dominated by intra-firm trade as in the original producer driven chain definition.

The other three forms of governance (captive, relational, and modular) represent different forms of more complex networks that are positioned along a spectrum between market and hierarchy chains. Modular chains are similar to hierarchical chains in that they exhibit a high amount of co-ordination on the part of buyers who purchase custom designed products (Sturgeon, 2002). The difference is that the products are not produced in-house. In such circumstances there is little room for error for suppliers who are bound to supplying a product that meets stringent standards set by buyers.

In the slightly less co-ordinated relational and captive value chains, complex products are supplied by either stronger or weaker suppliers. Governance relationships are relational where less control from the buyer is required and are described as captive when suppliers are weaker and so require closer monitoring by buyers that may be combined with buyer investment in the supplier (Dolan and Humphrey, 2004; Gereffi et al., 2005).

This governance typology provided by the GVC approach is useful for analysing the forms of governance that exist in fair trade commodity chains. Before instigating that analysis it is necessary to review the principal elements of conventions theory that will aid fair trade governance analysis by introducing concepts to focus on non-economic norms and values.

### **3.5.2 Conventions theory and governance**

In contrast to principally economic focussed conventional forms of governance discussed so far, in the previous chapter in section 2.7.1 it was highlighted that contemporary social movements such as fair trade aim to embed socially focussed moral norms and practices into commodity chain operations. Such civil society movements are attempting to introduce a mode of ordering<sup>36</sup> of connectivity based upon the performance of concepts of partnership, alliance, responsibility, and fairness (Whatmore and Thorne, 1997: 295, 298; Goodman, 2004) and with concern toward the empowerment of the marginalised (or ‘passive’ agents such as low income producers).

To provide a framework to conceptualise such embedding of alternative forms of governance or co-ordination, conventions theory ‘provides an avenue for analysing how divergent norms and values are negotiated within and between commodity networks’ (Raynolds et al., 2007: 37). The origins of conventions theory come from the work of French institutional economists such as Thévenot (1995). Conventions theory suggests that over time different markets come to embody a succession of different criteria under which the goods traded on them become ‘qualified’ for trade, and such qualification determines the ways in which trade is subsequently ‘managed’ (or co-ordinated) (Raikes et al., 2000: 407). Over recent years some researchers have utilised conventions theory to highlight the ‘alternative’ nature of fair trade relationships that place greater emphasis on non-economic factors. For instance, Renard (2003) employs conventions theory to consider how fair trade offers an alternative economic space, drawing on its social foundations, and assesses the extent to which this empowers producers in the international market. Similarly, Raynolds

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<sup>36</sup> The concept of a ‘mode of ordering’ is borrowed from Actor Network Theory discussed in section 3.8.3.

(2004, 2008) uses conventions theory to highlight changes in conventions governing organics commodity chains.

Conventions are ways of coordinating commodity networks through norms and values, standards of uniformity, and rules and institutions to apply and enforce those standards. According to this approach, conventions are necessary when price alone cannot evaluate quality. In this case, economic agents set up ‘quality conventions’<sup>37</sup> that lead to different forms (or modes) of co-ordination. Five principal conventions can be identified from the work of Thévenot (1995), Murdoch et al. (2000), Raikes et al. (2000), and Raynolds (2002). The first is market or commercial conventions where price is the main market management form and is used as the standard of co-ordination when there is a high degree of certainty in the product. Second, through domestic conventions uncertainty about quality is solved through trust forged from attachments to a place of origin or local and personal connections. Third, industrial conventions are seen when quality norms are enforced by external agents applying norms or formal standards through certification and auditing. Fourth, public conventions co-ordinate based on well known trademarks and brands. Finally, civic conventions are based on evaluations of general societal benefits or a common good. More recently civic conventions are reflected in product identity and its impact upon society, for instance through fair and ethical trade labelling.

The French economist Eymard-Duvernay (1989) ‘argues that price is the main management form of a particular market only if there is no uncertainty about quality’ (cited in Ponte and Gibbon, 2005: 7). Historically price was the principle mechanism to manage (or govern) agricultural-commodity markets where end producers were unknown. However, particularly since the 19<sup>th</sup> century, product quality has become increasingly important in agricultural-commodity trade, as grading processes that prices are based upon are determined by factors such as product quality, types, and origin.

Traditionally, the more commodity-like the commodity is, for example lower grade Robusta coffees are more interchangeable than higher grade Arabica varieties, the

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<sup>37</sup> Quality conventions are those that capture inherent product taste and presentation qualities, but also social and environmental ‘qualities’ that underpin messages to consumers.

stronger the market mode of governance becomes; therefore, there is a greater level of power in the hands of those who purchase agricultural commodities. In some cases such locations of power have been enhanced by technological improvements in processing technology, such as the case with cocoa, which have lessened the quality requirements of cocoa (Fold, 2002).

Against a backdrop of buyer dominance in the purchasing of agricultural commodities, some changes in the forms of governance of commodity chains have emerged. From the perspective of increasing security on the part of buyers who no longer rely on price mechanisms alone, more industrial forms of co-ordination have emerged. For instance, recent increases in requirements to meet food regulations for traceability (the quality turn) have led to more industrial forms of governance enforced through various certifying and auditing schemes. As an example, Humphrey and Schmitz (2001) provide an overview that identifies the key drivers for governing agents (such as lead firms, governments, EU, FLO) in chains deciding to engage in food standard certification. Certifiable product or process standards are introduced to provide guarantees of food safety to consumers; satisfy food legislation requirements; or provide due diligence defence to companies in lieu of any possible case brought against them.

Over a similar time period, by promoting standards that emphasise civic norms such as social and environmental benefits from the perspective of production regions, an increasing number of civic forms of co-ordination in the form of ethical and fair trade standards are being employed in the governance of commodity chains. Referring to Barrientos (2000), Hughes (2001: 391) notes how the dominance of the market form of governance was 'the central precursor to current demands for ethical trade'. These forms of commodity network governance emerged in a period where less regulation of commodity markets exists.

Some of the importance of such certification for low income producers is demonstrated when we look at the notion of a 'credence good' (Dolan and Humphrey, 2004; Reardon et al. 2001) to highlight qualities that are not immediately evident in a product, for example, fair trade community development or sustainable agriculture

attributes. Fairtrade certification also places value on the provenance of a commodity in an effort to increase connections between consumers and producers.

### **3.5.3 Linking conventions and fair trade value chain governance**

As stated in the previous section, fair trade rests on the mobilisation of a mode of ordering of connectivity different from that of the cost minimising, self-interested individual of neoclassical economic theory (Whatmore and Thorne, 1997) and thus represents an approach that aims to establish a greater connection between the producer and the consumer (Goodman, 2004). Furthermore, through formally institutionalising moral and social norms, the FLO standards attempt to redress asymmetries in value and governance by opening flows of information between consumers, buyers, and producers (Cook and Crang, 1996).

In the case of Fairtrade, standards draw on institutional practices within domestic co-ordination such as trust and civic co-ordination to switch the focus in value chains to those most in need (such as low income producers). However, many of the agricultural commodities that carry the Fairtrade certification continue to be traded in the market form of governance (for instance in relations with large companies) where there is little to no knowledge or direct link between buyer and seller or consumer and producer. Fairtrade standards also incorporate elements of industrial co-ordination in FLO certification processes, elements which have led to criticism of Fairtrade as the utilisation of certification schemes tends to pass financial and time pressures down the chain to often more financially vulnerable intermediaries and low income producers (Moberg, 2005; Raynolds, 2009).

In the context of this research this insight provides a framework to view the shift in the governance of fair trade value chains from relational, domestic, and civic relations to also incorporate formalised (often distanced) industrial conventions. Concerns regarding different forms of governance within fair trade value chains have recently been explored by a number of researchers, for instance by Raynolds (2009), Smith and Barrientos (2005), and Tallontire (2009). Such research highlights the various forms of governance and actors involved, from those motivated more by civic conventions (such as FTOs) to those driven by market conventions (such as some corporate licensees of the FLO). As is discussed later in this thesis, the variable forms

of governance and associated relationships now found in fair trade value chains have impacts upon how fair trade (in this case specifically Fairtrade) is experienced in a production community.

This shift suggests an increased employment of a combination of modular and captive forms of governance (using Gereffi et al.'s 2005 typology) as buyers increase their monitoring and control of agricultural commodity chains to embed social messages and provide guarantees to consumers and producers. Indeed, Coe and Hess (2007), Gibbon and Ponte (2005), and Nadvi (2008) point to the emergence of a widening range of global standards that introduce new forms of modular governance in value chains beyond the traditional structures shaped by purchasing power.

To summarise, this discussion has demonstrated how value chain analysis and conventions theory can help to explain and analyse the changes in governance and associated complexities in fair trade value chains. It is clear that despite the 'alternative' mode of ordering that fair trade sets to produce to embed social norms via civic co-ordination, producers are still subject to market and industrial conventions. There are, therefore, multi-scalar and multiple forms of governance embedded in commodity chains that represent the contexts into which new forms of governance enter (such as fair trade 'rules of the game').

This point was made apparent by Whatmore and Thorne (1997) who found how Third World partners of northern FTOs are not insulated from the discipline of the market as they still need to meet delivery deadlines and contracts for coffee processed in the north. Also, with increased pressure to introduce more certified Fairtrade products from more places, more commodities, and more wage labour scenarios (Raynolds et al., 2007) there is increasing tension between those market conventions and some of the domestic and civic conventions on which fair trade was founded. Consequently, the forms of governance to which primary producers are subjected within fair trade are numerous. Examples of the implications of this situation are evidenced in Chapters Six and Seven.



### **3.5.4 GVC contributions and shortcomings**

The previous section has highlighted the utility of the focus on governance facilitated by GVC analysis. As tools for analysing governance of economic activity both the GCC and GVC approaches have been widely employed by social science researchers. A significant amount of attention in these studies has focussed upon relatively recent phenomena in the global economy, in particular, on the role of the firm operating in manufacturing sectors (for example in the garment and textile industries) within an increasingly globalised economy in which there have been significant changes (such as re-location of production capital) in enterprise competition and competitive strategies of firms largely due to the globalisation of capital. In the agricultural sector, GVC analysis has been employed to analyse the networks, key actors, forms of governance, sites of power, and economic exchanges in agricultural value chains and agribusiness (Fitter and Kaplinsky, 2001; Fold, 2002; Gereffi et al., 2001 and 2005; Gibbon, 2001b; Humphrey, 2005; McCormick, 2001; Nadvi, 2004; Ponte, 2004; Slob, 2006; Sturgeon, 2001; Tallontire and Greenhalgh, 2005).

A significant contribution that GVC analysis has given to the analysis of agricultural value chains in relation to small-scale producers is that of upgrading, as highlighted by Daviron and Ponte (2005). Referring to Humphrey (2003), upgrading is ‘seen as the process of acquiring capabilities and accessing new market segments through participation in particular chains’ (Daviron and Ponte, 2005: 29). However, Gibbon (2001b) notes that opportunities for upgrading have been limited as the majority of secondary processing of raw materials remains in high income countries because of the importance of blending (for instance in coffee) and proximity to the end consumer post-processing.

Despite some utility, as identified in the previous chapter, the value chains and environments in which small-scale producers in the global south are located have existed for many decades as legacies of colonial plantation models. As Gibbon (2001a) notes, many of the same agricultural commodities (including sugar cane) established in colonial times continue to link large populations of the world’s rural poor (in local places) to global markets. Recognition of the legacies and continued effects of such historical factors and path dependencies that continue to shape a variety of governance and institutional environments is largely ignored by GVC

analyses (Bair, 2005). That is a gap this thesis attempts to redress in the development of a PAPN framework that incorporates such elements through postcolonial reflection.

GVC analysis incorporates relations between buyers and producers, but as Kaplinsky and Morris (2000) explain, in the real world value chains are much more complex. As indicated above, the construction, geographies, and institutions that exist in complex agricultural postcolonial places are marginalised by GVC analysis. For instance, geographic complexity of labour relations, place-based politics, and institutions of social relations such as local hierarchies are not analysed. As already identified, postcolonial reflection and post-Marxist critique can facilitate addressing these gaps.

There is, therefore, a need to provide more analytical space to incorporate a wider set of governance and institutional factors that operate in production places.

The following sections explore networks of regulations, standards, and social relations to be captured as important elements of the rules of the game to be analysed that operate within the institutional environments of global production networks and postcolonial agricultural production places. This moves analysis beyond only focussing upon economic value distributions and power relations within linear commodity and value chain models.

### **3.6 Beyond commodity and value chains in postcolonial places**

The first point of progression from the value chain concept is a metaphorical one. Value chain analyses tend to use the chain metaphor in analysis of production and distribution, thus often discussing commodity and value chains in linear terms. In agreement with the arguments of this thesis, Neilson and Pritchard (2009) also highlight the limited ability of a linear framework to account for geographical complexity in analysis. In order to broaden the scope of analysis, the concept of a network has been promoted by some researchers (for instance by Coe and Hess, 2007). This thesis adopts the concept of a network to include geographical factors highlighted above.

In arguing for an emphasis on the ‘network’, Coe et al. (2008b), Henderson et al. (2002), Hughes (2001), Leslie and Reimer (1999), and Raynolds (2004) argue that a major weakness of the ‘chain’ approach is its conceptualization of production and

distribution processes as being essentially vertical and linear. They suggest that rather than an emphasis on the linear and vertical, processes are better conceptualized as being highly complex networks that also incorporate non-linear, diagonal and horizontal relations. Networks then ‘portray the complex webs of material and non material relationships’ (Raynolds, 2004: 728) and contain processes that form ‘multi-dimensional, multi-layered lattices of economic activity’ (Henderson et al., 2002: 442). The network based approach therefore includes horizontal relations such as class, ethnicity, and gender that shape the operation of production networks both in and between different localities (Coe and Hess, 2007: 8).

The discussion about the progression from value chains to networks begins with a review of approaches that contribute to developing a framework to understand Postcolonial Agricultural Production Networks (PAPNs) as an analytical framework for this thesis. These approaches cover aspects related to regulations, standards, agricultural policy, and social relations.

### **3.6.1 Multi-scalar regulations and standards**

All stakeholders incorporated into commodity chains are subject to sets of ‘external’ regulations, policies, agreements, and standards that they do not necessarily have control over but to which they are subjected. The majority of value chain analyses to date have not taken account of these factors. This critique is picked up by Fagan (2005) in identifying the marginalisation of regulatory frameworks and environments in GVC analysis. A more rigorous assessment is provided by Bair (2005: 168) who suggests closer attention needs to be paid to factors ‘external’ to the linear value chain in order to study the ‘larger social, cultural and political-economic environments in which [chains] operate’. Similarly, Gibbon and Ponte (2005) propose an expansion of value chain analyses to include greater understanding of institutions and regulatory structures.

In his work on production chains, Dicken (2003: 306) argues that chains are co-ordinated at two levels: by MNCs and state regulation. Arguably, a lot of GVC work to date has focussed upon MNCs and their networks, but less attention has focussed upon the role of the state and non-corporate regional and global institutions. With the expansion of international governance at regional and global levels since the Second

World War (as discussed in the previous chapter), power in trading relations has increasingly fallen into the hands of institutions with regional alliances, such as the EU, and international alliances such as the WTO. Failing to incorporate the impact of such institutions that are external to the traditional linear GVC approach (figure 3.1, earlier) limits ability to analyse fully the impact of approaches that are attempting to empower others. This is because those targeted by empowerment strategies are normally marginalised from access to the governance of such trade institutions. Incorporating postcolonial reflection facilitates that process as I explain further in section 3.7.3.

In a paper discussing trade policy and value chain analysis, Stevens (2001: 47) illustrates the ways in which international trade policy as an external set of rules and regulations has altered the environment in which value chains operate. In the case of sugar, trade policy has been of central importance since a ‘diverting’ trade policy<sup>38</sup> has been in operation. Any amendments to such an influential policy would undoubtedly have a significant impact on those operating in sugar value chains, especially low income producers who are regarded to be most at risk and disadvantaged from such changes.

In addition to these international trade policies and alliances there are a growing number of private sector global standards through which product and process parameters are set by agents both internal and external to the linear chain. Gibbon (2001a), Humphrey and Schmitz (2001), Nadvi (2004), and Sturgeon (2002) chart the emergence of new forms of modular GVC governance that are emerging both within and external to the traditional linear chain. These forms of modular governance are varied. For instance there are now numerous individual supermarket standards to which agricultural producers must gain accreditation to access those markets. There are industry wide standards such as GlobalGap<sup>39</sup> that set standards for the certification of agricultural products around the globe. And there is a range of labelling initiatives that certify producers against social and environmental standards such as those of the FLO discussed in section 3.6.1.

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<sup>38</sup> In the global sugar market preferential access existed to EU markets for ACP countries, including Malawi. After a 2005 WTO ruling in favour of larger producers such as Brazil, the preferential access for apparently less competitive ACP sugar exporters will be phased out (see Chapter Four).

<sup>39</sup> [http://www.globalgap.org/cms/front\\_content.php?idcat=9](http://www.globalgap.org/cms/front_content.php?idcat=9)

This thesis argues that a greater understanding of the impact of this plethora of standards is required when evaluating the impact of approaches to empower others. Further details regarding the impacts of some of the standards mentioned in this section can be found by reviewing the works of the authors noted above. This thesis naturally focuses upon regulations and standards related to sugar cane and Fairtrade. That exploration and analysis can be found in Chapter Four.

Analysis, therefore, needs to be extended to assess how the impact of approaches such as fair trade are affected by changes and impacts from a variety of institutions and regulatory structures that may serve to enhance or restrict efforts to, for instance, help disadvantaged producers participate more effectively in domestic and export markets.

### **3.6.2 Filière approach**

The *filière* (chain or ‘thread’) approach was developed by French food and agricultural researchers<sup>40</sup> as an analytical tool for empirical agricultural research. *Filière* research focuses upon the production and marketing chains of commodities such as cotton, cocoa, and rubber from former French colonies. The predominantly empirical focussed research has been employed since the 1960s to map out actual commodity flows and to identify agents and activities within a *filière*, which is viewed as a physical flow-chart of commodities and transformations (Raikes et al., 2000: 405).

This work is similar to GCC analysis as an attempt to measure inputs and outputs, prices, and nodes of value-adding along a commodity chain. The key point of divergence between the approaches is the focus on agricultural commodity chains (in particular, those originating in Africa) rather than a focus on manufacturing or retail sectors that has been the focus of much GCC work (Raikes et al., 2000: 391). Generally, this divergence identifies the dispersed nature of primary agricultural commodity chains versus the often more highly integrated chains found in more ‘advanced’ sectors such as manufacturing, horticulture, and retail. Also, whilst the GVC framework provides a useful tool for analysis of governance in global trade relations, it can be enhanced by the agricultural commodity focus, the role of public institutional policies, and impacts on agricultural commodity prices that

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<sup>40</sup> Researchers at INRA <http://www.international.inra.fr/> and CIRAD <http://www.cirad.fr/en>

filière studies have introduced. Raikes et al. (2000) note how this is in part due to the fact that filière studies have greater historical focus and depth than GVC ones, both in terms of the approach and period of existence.

As discussed in Chapter Two, the incorporation of mechanisms (or regimes of practices) and rules of the game into the analysis is central for this thesis's understanding of the environments in which agricultural commodity producers are situated. The contribution of filière studies highlights a positive addition to GCC and GVC approaches of integrating formal regulation and the governance of formal regulatory mechanisms into commodity network analysis. Reference is made to this contribution in Chapter Four as international agreements in sugar trade have a significant impact on trade flows and power balances.

### **3.6.3 Actor Network Theory**

As highlighted in discussion so far, the use of the chain metaphor in GCC and GVC literature has been critiqued (for example by Coe and Hess, 2007; Henderson et al., 2002; Leslie and Reimer, 1999; Raynolds, 2004), arguing that it restricts the scope of enquiry to a linear analysis of what is actually a far more complicated network of productive activities and flows of materials in a variety of commodity chains. In addressing the critique that value chain analyses need to be extended to incorporate the role of networks of social relations in assessing the impacts of alternative trading networks, it is useful to enter into a discussion of Actor Network Theory (ANT).

In ANT greater emphasis is placed on social networks rather than a sole emphasis on economic value systems retained in much of the GVC work. As explained by Latour (2005), within ANT focus is placed upon the interplay between both human and non-human entities. With regard to a contribution to the analytical framework developing in this chapter, the focus on the role of human agency in shaping actor networks is adopted.

In addition to the actors identified in orthodox linear value chains, with a focus upon actor networks, ANT allows an acknowledgement and analysis of a 'wealth of agents mobilised in the performance of social networks' (Whatmore and Thorne, 1997: 291). In critiquing the linear connotations with the 'chain' approach, Henderson et al.

(2002) also acknowledge the contribution of ANT to offering a better understanding of a relational, network-based approach by emphasising ‘the relationality of both objects and agency in heterogeneous networks’ (2002: 442). For this thesis it is useful to draw upon the notion of such a relational network of actors whose operations are neither discrete nor existing in a social vacuum as low income sugar producers are embedded in multi-scalar relations and processes.

Accepting this contribution, the limitation of the appropriateness of ANT in this research, and why it is not explicitly used in its complete form in this chapter, is the limited attention given to issues concerning governance and power relations in production networks that GVC analysis highlights. This is an argument also emphasised by Dicken et al. (2001) and Raynolds (2004), that whilst ANT does make reference to markets and key actors, it fails to adequately capture and appreciate the issues of power relations that inevitably shape production networks. The analysis of those power relations in this thesis is framed by a post-Marxist critical lens defined in Chapter Two.

### **3.7 Global Production Networks**

Moving to a more recent conceptual development in economic geography, the GPN framework puts forward a holistic approach that draws from and encompasses aspects of GVC and ANT frameworks. Economic geographers including Henderson et al. (2002), Coe and Hess (2007), and Coe et al. (2008a, 2008b) have increasingly utilised a network based approach to investigate the impacts of globalisation on regional development and a tool to analyse retail and MNC chains.

As Hughes (2005) identifies, the three conceptual categories of the GPN framework, value, power and embeddedness, have introduced more emphasis on spatiality for economic geography research. As in earlier GVC analysis, value refers to economic rents that are accrued from engagement in a GPN. Power can be in the form of either corporate (lead firm) level of governance within a GPN; institutional power exerted by local or national state institutions; international agencies such as the WTO, the UN, or the International Labour Organisation (ILO); and collective power through agents such as trade unions, NGOs, and environmental campaigning bodies. The third concept, embeddedness, is discussed later in this chapter.

As with this thesis, GPN does not adopt ANT's concept of the interplay of social (human) and physical (non-human) worlds, but instead restricts discussions of hybridity to human relations. It does specifically draw on ANT, however, to adopt the metaphor of the network to include a wider range of actors and relationships and then embed the analysis in different political, social, and cultural contexts that exist in different spaces. By adopting the network metaphor, the GPN approach then aims to situate the analysis in the multi-scalar networks in which production (and consumption) are embedded.

Within GPN analysis, production does not mean solely manufacturing. Rather, it is a concept that encompasses the entire production network, encapsulating non-firm agents who are integral to the network. For regional development researchers such as Henderson et al. (2002) and Yeung (2007), within this network there are lead firms that possess significant control over production and market access. Opposed to the traditional definition of a vertically integrated MNC, these lead firms operate within complex GPNs. Within these networks, lead firms are driven to act to seek further competitive advantage by searching for lower cost production suppliers, less vertically integrated more flexible relations, or to seek partners who may be able to produce goods to a higher standard.

In adopting the metaphor of the network, the GPN framework also has grounding in literature that discusses increasing interconnectedness between consumption and production in the global market place. With reference to the work of Cook and Crang (1996) on the circuitous nature of knowledge in food systems, Henderson et al. (2002) point out how GPN analysis should facilitate our ability to reveal how certain key knowledges 'circulate' between producers, consumers, and intermediaries. The importance of this in the context of fair trade is highlighted by Coe and Hess (2007) in discussing the increasing role of standards and quality within GPNs.

### **3.7.1 Developing the GPN approach**

Despite introducing more emphasis on spatial flows in global networks, the GPN model can be critiqued for still marginalising geographical analysis. As with GCC and GVC models, analyses can remain abstract from realities of specific places by restricting focus to meso level firm and market level analyses. Such critiques have



also been presented by the ‘Manchester School’ that developed the framework. For instance Coe et al. (2008b: 279) state that ‘far too much of the production network literature pays little more than lip service to the institutional and geographical environments<sup>41</sup> within which networks not only operate but are also formed and shaped’. Through the remainder of this chapter I outline elements to extend the GPN model to construct a PAPN framework for analysis that is more attentive to specific geographical factors.

Adding to critiques of the GPN framework, Bair (2005; 2008) and Palpacuer (2008) also emphasise some shortcomings in the attempt of the framework to represent a more holistic approach to analysis of production networks. Supporting an argument of this thesis and in agreement with Levy (2008), they argue that despite its attempts, the GPN framework places most emphasis on economic co-ordination and insufficient emphasis on social, political, and cultural contexts that also constitute the institutional environments that shape, for example, labour geographies and wealth distributions. This critique was previously levelled at GVC work by Ponte and Gibbon (2005) and Riisgard (2009), stating that there was too much focus on governance in terms of co-ordination and not on broader political economic factors, such as the role of labour organisations.

Supporting a need for more attention to issues of labour geographies, Cumbers et al. (2008) present an extension of the GPN framework using a Marxist lens. They argue that despite advancements of the GPN model, such as stressing the influence of geographical embeddedness, little analytical space is given to issues of labour and social relations of production. A Marxist perspective on uneven spatial divisions of labour, it is argued, foregrounds a need to analyse sites of exploitation and class conflicts in GPNs. They state that a Marxist lens brings ‘a more nuanced and complex perspective on labour’ (Cumbers et al., 2008: 384) to un-mask tensions and contradictions in labour movements; an argument that is made in Chapter Two of this thesis.<sup>42</sup>

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<sup>41</sup> Such environments are represented in postcolonial places in this research.

<sup>42</sup> However, rather than using the term Marxist, as stated in Chapter Two, this thesis employs the term post-Marxist to highlight social stratifications in production organisation relations, which retains the critical elements of a Marxist critique but emphasises a focus on multi-scalar analyses in postcolonial places.

### **3.7.2 Institutional analysis**

In addition to the contributions of a post-Marxist analysis to foreground issues such as social relations of production, in order to bring the social, political, and cultural into analysis, this thesis argues for a need to analyse institutional arrangements and environments. In recent years there has been increasing recognition in economic geography of the need to account for and examine the role of institutions in society (Amin, 2001; Hudson, 2005; Jessop, 2001; Macleod, 2001; Martin, 2003; Neilson & Pritchard, 2009; Philo & Parr, 2000). An analysis of institutions can move analysis from simplistic political economy generalisations to look at how economies and societies are constituted and embedded in different contexts and thus present a greater representation of the complexities of social life.

This argument has been recently presented by two scholars from divergent disciplines. A sociologist, Bair (2005: 153), concludes that ‘closer attention to the larger institutional and structural environments in which commodity chains are embedded is needed in order to more fully inform our understanding of the uneven social and developmental dynamics of contemporary capitalism at the global-local nexus’. Similarly, from a business studies perspective Palpacuer (2008: 413) states that ‘changes can be made visible, and thus politically addressed, by adopting an institutional view emphasizing the existence of power relations and unequal bargaining capacities among actors involved in GCCs’.

In addition to providing a more comprehensive representation of the complexities of social life, institutional analysis can act as a mediating device to consider ‘local economic restructurings within their wider political, cultural, and geographic worlds’ (Macleod, 2001: 1160). In other words, connecting institutions that affect levels of agency in local places to influences from meso and macro level structures and relations uncovers ways in which institutions shape mechanisms or forces from place to place. This reflects the interdependence between agents and structures that shape society (Storper & Salais, 1997) which should be considered as a ‘causal process’ (Hodgson, 2004: 452).

The study of institutions has informed the work of a range of scholars in a variety of social science disciplines. A useful summary provided by Martin (2003) informs the

proceeding section. As a starting point, Martin provides a definition of institutional economic geography as an approach to ‘acknowledge the wider structures of social, economic, and political rules, procedures and conventions’ (2003: 79) so as to uncover and understand how those institutions and processes both enable and constrain programmes such as economic development in different ways in different places.

Starting with economics, one of the disciplines that have increasingly focussed attention upon institutions, some institutional economists argue for the need to account for rules that shape economic behaviour such as international trade. The work of Coase (1988<sup>43</sup>) is regarded as the foundation of what became the field of new institutional economics that principally argues for the need to account for the role of human-made institutions that orthodox economists had failed to do. To understand human economic co-ordination, Coase, and latterly Williamson (2002), focussed upon transaction costs (such as access to information) which they argue can be reduced through formal organisation and co-operation. Through the design of formal institutional arrangements such as legal contracts as forms of governance, uncertainty and conflict in economic relationships by trading partners can be reduced.

Advancing and rekindling interest in the concept of institutions and analysing their performance in different economies, North (1991) introduces institutions as ‘humanly devised constraints that structure political, economic, and social interaction...devised to create order and reduce uncertainty in exchange’ (1991: 97). He argues that institutions include the formal (written) arrangements identified by the likes of Williamson, but also informal (unwritten) institutions such as culturally specific customs and codes of behaviour. Linking to Dean’s (1999) definition of regimes of practices, North (1990) terms institutions as ‘rules of the game’ designed to provide structure and thus reduce uncertainty for society.

### **3.7.3 Institutional environments**

To help provide a framework to examine particular sets of institutions (rules of the game) to which a production community is subjected, there is a further necessary distinction regarding institutions. Davis and North (1971) state that two major

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<sup>43</sup> Originally published in 1937.

influences on the success or failure of economic transactions are the institutional environment and institutional arrangements. As outlined above, institutional arrangements are the forms of contract or organisation (such as firms, unions, or councils) that are established for particular transactions to lay the ground rules for economic cooperation or competition. The institutional environment is the broader set of political, social, and legal rules of the game within which people and organisations develop and implement specific institutional arrangements (Morrison et al., 2000).

It is necessary to spell out these definitions as this thesis argues for the need to appreciate both formal and informal rules in a particular context if one is to effectively grasp the different forms of governance and relational networks in a postcolonial society when empowerment is the goal. In doing so this thesis adopts the idea of an institutional environment but expands the definition by incorporating historically formed social, cultural, and political factors that shape the emergence, forms of governance, and impacts of different regimes of practice.

#### **3.7.4 Socially embedded and contested networks**

Whilst the work of institutional economists is a useful starting point for defining and identifying institutional arrangements and environments, as Hodgson (2004), Martin (2003), and Neilson & Pritchard (2009) point out, this work is aspatial in that it fails to sufficiently acknowledge the influence of power relations and cultural and social norms in economic activity. Institutional economists (such as Williamson, 2002) emphasise the importance of institutional arrangements that control access to information but neglect to analyse how and why particular institutional environments exist that create spaces of uneven access and asymmetries in knowledge between those involved in exchange, such as trade. One reason for this failure is that in economics the application of institutional analysis is often restricted to macro level examinations of countries or organisations.

As discussed in the section 3.8.3, Whatmore and Thorne (1997) suggest that the influence of social agency networks can be introduced to strengthen the social embeddedness of the analysis by acknowledging that ‘all individuals, institutions and alliances enact in a variety of partial knowledges through networks which involve a

‘lengthening’ of spatial reach and a ‘strengthening’ of environmental and social embeddedness’ (1997: 294).

To instigate a discussion on the understanding of social institutions in economic activity it is necessary to acknowledge the contributions of the ‘new economic sociology’ school of thought that focuses on the failure of economists to incorporate social structure into analysis (Swedberg, 1997). The principal contributor to this school is the sociologist Mark Granovetter who stresses the importance of recognising social relations and networks as the mediators of economic institutions such as markets. In his most famous article, he emphasises the concept of embeddedness,<sup>44</sup> stating that economic actions are ‘embedded in concrete systems of social relations’ (Granovetter, 1985: 487).

The notion of heightening the importance of social and cultural embeddedness in commodity chain analysis is of direct relevance to fair trade as a movement that aims to introduce more civic norms and institutions into market operations. This concept of embeddedness principally finds its roots in the work of Polanyi who is regarded by Hess (2004: 167) as the ‘father of embeddedness’. Polanyi (1957:250) wrote that ‘the human economy... is embedded and enmeshed in institutions, economic and non-economic [so therefore] the inclusion of the noneconomic is vital’. As discussed in Chapter Two, Polanyi provided a social history of the economy highlighting how the economy has always been embedded in society and not in a spatial abstract market environments. In re-working the embeddedness concept, Granovetter applies it at a more micro scale to emphasise how all economic actions are social.

Despite the differences in the scale of analysis, the importance of highlighting the embeddedness of economic activity in the ‘social’ is that it conflates with assumptions of the ability of others to act ‘rationally’, which is at the core of classic economic models. Instead it highlights how individuals and organisations are embedded in a wide array of multi-scalar institutions and practices (Allen, 2003: 48) and networks of social relations which vary according to context and can either enable or constrain economic activity. Utilising the concept of embeddedness in this way ‘brings the

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<sup>44</sup> This thesis explores embeddedness in more detail in Chapter Four, discussing its contribution to extending the global production networks model.

sociological setting of the economy back into the fulcrum of economic thought' (Neilson & Pritchard, 2009: 51). It therefore stresses the need for research such as this to acknowledge the specific social, political, and cultural factors in place that govern, regulate, and embed certain actors in particular local institutional realities (Martin, 2003).

Bair (2008) identifies how, for Granovetter, it was important to understand the networks of social ties and obligations that people are subjected to and how such factors place constraints on economic activity. This is in contrast to the GCC and GVC work that largely marginalises social analysis when analysing production location and supply chain formations that advocates of transaction cost economics focussed upon (Coase, 1988, Williamson, 2002) and of whom Granovetter (1985) was critical.

Accepting that the GVC approach is less spatially embedded and that there is a need to 'socialise' the analysis, Hess (2004) feels that the work of Granovetter over territorialises the analysis and so he has promoted a reconceptualisation of embeddedness to incorporate relations and connections beyond those only found in local places. Hess (2004) then suggests that embeddedness is multi-dimensional (vertical and horizontal) and of numerous types (social, cultural, political, and economic). Accepting that the concept of embeddedness represents the social relationships between actors in a GPN, Hess (2004) identifies three dimensions of embeddedness.

The first, societal embeddedness, focuses upon the social, political, and cultural background from where a participant in a production network originates. The second, network embeddedness, explores the webs of multi-scalar relations and inter-connections between actors operating across spatial scales. The third, territorial embeddedness, examines the 'anchoring' of actors and processes in particular places, for instance, when participants are tied-in to particular production networks.

Hess (2004:174) also points out how 'the literature on embeddedness stresses the central role of concrete personal relations and networks of relations to generate trust'. Bair (2008) identifies how this resonates with the work of Powell (1990) who

suggests that the ‘social relations in which they [networks] are embedded generate mutual expectations and relations of trust, which arise from repeated exchanges’. This concept of the development of trust in networks relates to the work on social capital and trust by Putnam (2000), Sayer (2001), and others discussed in Chapter Two.

Here, as then, the literature on trust and social capital tends to over-state the positive outcomes from social relations and assumes that collaboration will engender such responses toward the betterment of livelihoods and economic development, when the corollary may also be true. Such an argument is put forward by Levy (2008: 943) who states that GPNs are entangled with ‘charged social and political issues’ and are ‘thus characterised by contestation as well as collaboration among multiple actors’. This is because GPNs are not just about value adding activities but ‘comprise complex political economic systems ... [embedded in] their socio-political context’ (Levy, 2008: 943). Levy develops the perspective further by stating that ‘GPNs resemble contested organisational fields in which actors struggle over the construction of economic relationships, governance structures, institutional rules and norms, and discursive frames’ (2008: 944).

This resonates with the point emphasised by Sayer that kinship networks ‘are likely to be characterised by power asymmetries’ (2001: 699). In supporting the turn to recognise social institutional environments, Sayer (2001) highlights the importance of also analysing power relations within such spaces. Using institutional analysis to bridge between macro and micro or structure and agency, Sayer argues that power is not limited to rules in systems that are the focus of conventional global political economy studies,<sup>45</sup> but also power exists in the ‘lifeworld’.

Adopting the concept of embeddedness to analysis in the GPN approach is arguably the most significant departure from the GVC framework. For Coe and Hess (2007: 5) the concept of embeddedness is important so as ‘not to lose sight of socio-cultural specificities in the organisation and regulation of global production networks’ as the operations of lead firms become embedded in local markets.

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<sup>45</sup> For instance, Rodrik et al. (2008) stress the importance of recognising hybridity of institutional environments and doing so means there cannot be a one size fits all model to suit all circumstances. However, their analysis remains at a macro level and is dismissive of the role of geography.

### **3.7.5 Local institutional environment**

Some recent markets and livelihoods publications support the case for the inclusion of institutional analysis. In defining a framework to assist analysis between approaches to make markets work for the poor and impacts on livelihoods, Albu (2008) advocates an institutional orientation in analysis to consider how formal or informal institutions may shape governance in either empowering or disempowering ways. This is because livelihood strategies cannot be understood in isolation of the complex institutional environment in which livelihoods are enmeshed. Whilst applauding such an introduction of institutional analysis to the field of development, Dorward et al. (2005) argue that policy prescriptions have so far failed to account for the constraints to development in certain environments, in particular in areas suffering the greatest levels of poverty.

On a similar note, in applying North's (1991) definition of institutions to looking at economic development in an African context, Luiz (2009) argues that there is little understanding of how indigenous institutions (such as chieftainship) affect development programmes. That argument is supported in a recent collection regarding institutions and development. In that, Casson et al. (2010) argue that informal institutions, such as local customs, can contribute to unequal wealth distributions and, therefore, must be included in socio-economic research. This thesis contributes to the knowledge of the role of the local institutional environment in affecting an approach from a global level (fair trade) and lessons from that for policy through the empirical discussions later in this thesis.

### **3.7.6 Bringing the social and political into analysis**

This review of the utility of institutional environments with the concept of embeddedness promotes an extension to the GPN framework for this thesis. This extension is supported by the arguments of other researchers such as Bair (2005) and Palpacuer (2008) who advocate some form of institutional analysis to account for both formal institutional forms, such as labour laws and collective bargaining, and informal institutions such as social relations and cultural influences at international, national, and local scales.



In critiquing GPN work to date, emphasis appears to be placed upon too much essentialising of firms and labour in analyses of production networks. With regard to firms, Coe et al. (2008b) state that too often firms are treated as generic entities or ‘black boxes’ as aspatial ‘lead’ firms. In reality firms are systems of power that contain power relationships and so it should not be assumed that all firms will, or will be able to, react in the same way to changes in an institutional environment.

With regard to one of the challenges facing fair trade highlighted towards the end of Chapter Two, to avoid essentialising producer communities, the same accusations of ‘black boxing’ can be levelled at such approaches.<sup>46</sup> The low income producer groups that represent the institutional arrangements through which fair trade aims to deliver benefits to a producer community are often portrayed as homogenous entities. In reality these groups do not operate in a vacuum. They are communities and networks subject to vertical and horizontal relations and forces, embedded in sets of relations and networks that are sites of contestation, multiple agents, and subject to multi-scalar institutions.

In a similar vein, Coe et al. (2008b) also recognise the lack of focus on labour in the work on GPNs, again an entity often treated as homogenous and aspatial. Labour is segmented by factors such as skill, gender, age, and ethnicity and so the ‘agency potential of workers is innately geographical’ (Coe et al., 2008b: 285). In her work Palpacuer (2008:402) also notes this gap by referring to the work of Hale and Opondo (2005) and Knorringa and Pegler (2006), who argue that GVC studies have focussed on inter-firm relationships, but generally neglect analysis of impacts on labour. Moreover, when producers are referred to, no distinction is made between producers and the workers they employ.

### **3.8 A PAPN approach and postcolonial contribution**

To address such shortcomings and gaps related to analytical frameworks explored in this chapter, this thesis presents a new framework that utilises postcolonial reflection to account for aspects marginalised in frameworks to date. Chapter Two built the importance of postcolonial reflections in a theoretical framework to critique people-

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<sup>46</sup> An issue raised in Chapter Two in the work of Blaikie (2006) regarding homogenisation of the local.

centred approaches to trade and development. It was argued that a critical postcolonial reflection foregrounds issues concerning social and political relations to highlight and analyse multi-scalar uneven and unequal geographies of power. Recognising identified shortcomings of other approaches such as the GPN approach for failing to account for heterogeneous firms and labour, socio-political contestations, and formal and informal institutions, a PAPN analytical framework provides analytical space to incorporate such place based specificities.

This is achieved by incorporating a postcolonial reflection that requires attention to both a spatial perspective to deconstruct categories of others and other places, and a temporal perspective to highlight historical influences continuing in the present. A resistance to homogenise and essentialise presents space for a grounded approach to analysis of the influence of historical legacies and context specificities related to a particular place and agricultural commodity network on the experiences of ‘subaltern’ low income producers. This contributes toward a challenge posed by Pollard et al. (2009) to introduce a postcolonial lens to commodity network analyses and from Swedberg (1997) who highlights a potential major downfall of network approaches that often fail to contain social and political factors in conceptualising the worlds of actors.

A PAPN framework is not blind to uneven multi-scalar social and political playing fields, aspects that have so far been marginalised from other frameworks. For instance, Yeung (2007) highlights the emphasis of GPN analysis on the interconnectedness between so-called ‘external’ global firms and local institutions. In theory the GPN approach shows how networks are shaped by different local contexts and that the global is not separated from the local as lead firms use local and social constructs to enhance flexibility of supply and reduce production costs. This is an important facet in the context of this research as the GPN approach appears to recognise the importance of locally embedded institutional environments that this thesis argues GVC literature does not. However, in practice Coe et al. (2008b) have recognised that in application the GPN framework has not accounted for local context specific complexities and point to the work of Sayer (2001). In his framework of a critical cultural political economy referred to previously, Sayer emphasises a need to explore the social relations and cultural contexts that impact upon economic processes

(2001: 697). A PAPN framework incorporates such elements by exploring analysis of a specific local postcolonial context.

An additional layer of analysis, therefore, in the PAPN framework is the inclusion of 'horizontal inequalities' (Imhof and Lee, 2007), hitherto marginalised from GPN research as discussed above. In their research Imhof and Lee (2007) use horizontal inequalities to highlight inequalities between different social groups in a particular place. For this thesis it is used to highlight inequalities among producers and within producer communities, thus breaking down 'black box' categories of producers and communities used in fair trade discourse that contain assumptions of harmony and homogeneity that are present in other frameworks.

Using the concepts of local institutional environments and horizontal inequalities, analysis can focus upon local place based uneven geographies in addition to macro or global vertical inequalities that have been the principal focus of value chain analyses and fair trade campaigns. A PAPN framework incorporates analysis of formal and informal rules of the game embedded at multiple scales, focussing on the influence of both vertical and horizontal uneven and unequal institutional environments.

### **3.9 Conclusions**

The review of approaches to understand global commodity or production chains and networks in this chapter has highlighted the need to further develop approaches and combine various elements of many of them to be applicable to postcolonial agricultural commodity production places. It has emphasised contributions regarding the importance of analysing governance and embeddedness, and promoted institutional analysis to extend that analytical process.

Returning to discussions earlier in the chapter, there are a number of useful attributes identified for this research from value chain analysis. As identified by Sturgeon (2001: 9), one advantage of value chain analysis is to make analysis geographically 'scaleable' by focussing on a particular industry or sector. In support, Kaplinsky (2000) notes how value chain analysis permits an identification of the key firms and other institutional actors and the linkages between them to help assess the impact of institutions (such as Fair Trade Organisations) on economic development.

Furthermore, by highlighting forms of governance, value chain analysis can demonstrate that engagement in global supply chains alone is not a guarantee of securing a sustainable income from trade. Power relations in trade are significant and, as Redfern and Snedker (2002) state, looking at trading relations by analysing governance provides insights into what (and who) drives those relations.

The GPN framework utilises these insights from value chain analysis regarding governance and also of networks from Actor Network Theory. Using the network metaphor benefits the GPN framework by enabling the inclusion of a wider range of actors into any analysis and thus account for relevant 'external' agents ranging from locally based service and finance providers to international regulatory bodies such as the EU and WTO.

The GPN approach also introduces the concept of embeddedness, highlighting that actors in GPNs are embedded in particular environments. This is a useful concept for this thesis that argues for the need to recognise the variety of institutions (rules, norms, and relations) and 'multi-scalar regulatory' contexts that directly impact upon agricultural-commodity chains, as Hudson (2004: 453) also highlights. Such analysis opens up space in the research to examine social, political, and cultural factors in the institutional environments of low income producer communities. Those environments contain both vertical and horizontal inequalities of forms of governance and institutions.

This approach contributes towards a gap in the literature on the link between globalisation, increases in global capital and labour flows, and poverty (as stated, for example, by Nadvi, 2004: 20) in that there have only been limited attempts to bring meso (sectoral/sugar) and micro (producers and labour) level evidence to that debate. So far commodity chains and networks have been looked at through value chain or sustainable livelihoods lenses which marginalise the influence of postcolonial factors identified in this thesis.

The PAPN framework proposed here as an extension of the GPN model with additional insights from institutional analysis and postcolonial thought brings in geographical concerns regarding the importance of place and issues of 'the social and

political'. This enables connections to be made between global agricultural-commodity networks and local poverty impacts including an examination of the wider aspects of poverty that act as constraining factors to empowering different members of production communities. It, therefore, embeds this agricultural production community research in the contextually specific institutional environments and postcolonial places in which low income producer participants in fair trade are based.

By constructing a PAPN framework of analysis that is cognisant of embedded institutions and multiple forms of governance, the examination of fair trade experience is grounded in a particular context. This provides an account of actually occurring globalisation by examining how institutions and policies formed by one group of actors involved in a commodity production network impact upon other groups embedded in specific institutional environments. Such an account should also reveal particular institutions or forms of governance that both enable and constrain the achievement of empowerment aims on behalf of those targeted to be empowered.

Using the important concepts for this research of governance, institutions, and embeddedness, the next chapter discusses and analyses the postcolonial place of Malawi and postcolonial commodity of sugar cane with reference to Hess's (2004) embeddedness typology. This facilitates an understanding of the multi-scalar environment in which a postcolonial producer community is embedded and forms the basis of a contextually specific account of empowerment for this thesis.

## Chapter 4

### Context of Malawi, sugar cane, and fair trade

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#### 4.1 Introduction

This chapter identifies and analyses the principal contextual factors related to both the country (Malawi) and the commodity (sugar cane) that are relevant to the case study of this thesis. This analysis is to satisfy the analytical demands of a PAPN framework developed in Chapter Three, because a PAPN framework requires cognition of uneven social and political playing fields that shape the multi-scalar institutional environments in which low income producers are embedded. This process involves critical analysis of political economies, dependency structures, and socio-cultural factors related to both Malawi and sugar cane. The relevant contextual factors that emerge include various forms of governance and institutions such as legacies of colonial agricultural policies, and postcolonial international and national policies and practices.

The presentation of forms of governance and institutions important to this thesis are structured with reference to Hess's (2004) embeddedness typology. The first embeddedness dimension, societal, is referenced to explore the social, political, and economic factors that shape the context of contemporary Malawian society as a postcolonial agricultural production country. The second, network, explores the multi-scalar institutional environment and sites of governance in which the production and trade of sugar cane are embedded. Finally, the territorial dimension draws upon aspects of societal and network embeddedness to explore the context of the local site

of commodity production. This moves the analytical focus towards the case study of this research.

In the final sections of the chapter I explore the ‘rules of the game’ that Fairtrade employs through audited standards and processes, and how these rules have been operationalised in the case study of this research. This highlights the relevant elements of a specific fair trade approach to focus upon as part of the analysis in this thesis.

## **4.2 PAPN impact assessment framework**

A critique of some impact assessment frameworks that focus on the livelihoods of others is a lack of recognition of power and politics in assessing impact. This is a shortcoming supported by Friedberg (2003) and Scoones (2008) from critical empirical research of sustainable livelihoods and fair trade approaches.<sup>47</sup> To attempt to address this shortcoming in this research, I developed an impact assessment framework that incorporates analysis of postcolonial and post-Marxist geographies<sup>48</sup> to obtain both primary and secondary empirical material. Before conducting analysis of the contextual elements of Malawi and sugar cane I introduce the impact assessment framework here since that analysis is structured by elements of the framework. The remaining elements are discussed and employed in Chapter Five.

To begin to consider elements for an impact assessment framework for fieldwork I drew upon the work of Barrientos and Smith (2006), Hulme (2000), and Mayoux (2001) who have written extensively on methodologies and best practice for assessing the impact of ethical trading and microfinance programmes in low income countries. For Hulme (2000) the three main elements of a research framework are to model the impact network that the study is to examine, identify the levels at which impacts are assessed, and to specify the types of impact that are to be assessed. In this framework the researcher needs to establish the level at which the enquiry will take place. The impact network can consist of the intended beneficiaries (individuals) and organisations and institutions through which benefit is delivered. Secondly, the level of assessment can range from the individual, to the household, to the enterprise or to

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<sup>47</sup> These critiques are explored further in the data and methodology chapters.

<sup>48</sup> As discussed previously, this requires focus on factors such as colonial history and post-structural critique of inequalities and class relations.

the institutional environment within which agents operate (Hulme, 2000). Finally, the types of impact to be assessed need to be precise and measurable.

Taking a similar approach, Barrientos and Smith (2006) draw upon the contributions of the global value chain (GVC) approach. Like an impact network, mapping the value chain can trace linkages between a range of economic actors involved in the production of a good or service. Taking the impact process a step further, Barrientos and Smith (2006) refer to Mayoux's (2003) 'value chain to mapping' concept to extend the examination to assess impact on workers and their households. As argued in Chapter Three, whilst this thesis acknowledges the contributions of the GVC approach, the network metaphor and the concept of embeddedness are employed to enhance the depth of the geographical enquiry. Additionally, I incorporate focus upon forms of governance and institutions required as part of a PAPN approach that requires reflection on postcolonial and post-Marxist geographies. From these analytical frameworks and other methodologies reviewed,<sup>49</sup> this research uses the following approach:

1. Introduce the study area which includes contextual analysis of the country and the region in which this research took place to identify the contexts in which low income postcolonial agricultural producer communities are located.
2. Provide a model of the impact network by mapping the relevant commodity network that identifies the principal actors, forms of governance, and institutions to provide contextual analysis of the commodity and associated markets.
3. Identify levels of analysis and actors to be research participants.
4. Specify the types of impact to be assessed and how data collection will take place.

Broadly, these four elements are split between this chapter and Chapter Five as follows. The study area, Malawi and Chikwawa, is explored in this chapter with reference to societal and territorial embeddedness dimensions. The global and local production networks of sugar cane are also explored in this chapter with reference to network embeddedness. The remaining elements, the identified research participants,

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<sup>49</sup> Discussed further in Chapter Five.



the empowerment impact indicators to be assessed, and the methods employed to gather empirical data, are explored in Chapter Five.

The identified PAPN analytical framework for this research moves the analysis from the global through to the local, highlighting the importance of context regarding approaches to assist low income primary producers. The significance of context has been noted by numerous practitioners and organisations in the development sector. For instance, Mayoux (2002) advises that any impact assessment must include a detailed contextual analysis of opportunities, constraints, and weaknesses. A central argument of this thesis is that a deeper understanding and incorporation of context is important regarding the aims of fair trade community empowerment initiatives.

Employing this argument, the analysis below places the production community into the context of Malawi as a country in which many of its citizens are in low income and socially and politically constrained positions. This is due to many factors including high levels of poverty, limited natural resources, geographical constraints, weak markets, and limited access to public health and education facilities. It demonstrates that many sectors of Malawian society encounter a range of economic, social, and political constraints which impact upon the lived experiences of fair trade.

### **4.3 Societal embeddedness: the postcolonial context of Malawi**

This section identifies the principal geographical, political, social, and economic factors that shape the environment in which the majority of Malawi's low income primary producers are embedded. The analysis begins with an identification of Malawi's specific physical characteristics. Whilst not specifically postcolonial, these are important factors to consider that affect the postcolonial economy and society of Malawi.

#### **4.3.1 Geography**

Malawi is a landlocked country located in South East Africa with a large percentage of land above sea level. The country is dominated by Lake Malawi<sup>50</sup>, the country's main source of water supply, accounting for approximately one-fifth of surface area and from where the Shire River flows through the south of the country toward the

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<sup>50</sup> Previously known as Lake Nyasa, the name still used in Tanzania (Figure 4.1).

Zambezi (see Figure 4.1). The southern Shire valley area is the lowest and hottest part of the country, and often the most susceptible to drought or flooding (Action Aid, 2006; Babu and Sanyal, 2007; Ellis et al., 2003; FAO/WFP, 2004; FCSD, 2005).



**Figure 4.1 Shire Valley, Shire River, and Chikwawa**<sup>51</sup>

Malawi has three distinct seasons: a hot, rainy season November to March, a dry, cooler season April to August, and a hot, dry season September to October. Periods of the dry season are sometimes called the ‘hungry season’ when the crops have been consumed and new crops are not yet ready for harvest. This seasonality has a significant impact on agricultural production as the volumes produced are determined by weather conditions, creating a hope each year that sufficient and appropriate amounts of precipitation arrive in the wet season. The short and inconsistent rainy season leaves many Malawians often exposed to the threat of food shortages.<sup>52</sup> The availability of a major water source, high average temperatures, and the distinct seasons are of particular significance for the case study of this research, which is located in the southern district of Chikwawa. This is discussed further in section 4.5.5.

<sup>51</sup> <https://www.cia.gov/library/publications/the-world-factbook/geos/mi.html>

<sup>52</sup> For further discussion on seasonality see Chirwa et al. (2009).

#### **4.3.2 Colonial and postcolonial politics**

As with its physical characteristics, the history of international and national political governance regimes to which citizens of Malawi have been subjected share some similarities to other Sub Sahara African (SSA) countries, but also present traits specific to Malawi. The variety of political regimes of government practices have determined and shaped spaces of unevenness and inequality in the governance of both Malawian society and economy.

Following the first significant Western contact in the 19<sup>th</sup> century, Malawi (then known as Nyasaland) came under British rule in 1891. With this rule came the imposition of British designed political, social, and economic policies. During this period of colonial political governance, the control and influence of policies that affected all aspects of Malawian society were primarily in the hands of non-indigenous administrators and governors.

One key legacy of the colonial period (that has continued in the postcolonial state) is the imposition and embedding of a modern state political system into a country that has embedded hierarchical communal societies. Booth et al. (2006) refer to this as a ‘neopatrimonial’ postcolonial state full of institutionalised patronage networks with deep historical and social roots. Silungwe (2009: 40) describes the neopatrimonial approach as one that perpetuates colonial practices. As a result of this approach Malawian society consists of significant power imbalances, patronage, and conformism, leaving a large percentage of the population in a wholly dependent situation and one in which they are unaccustomed to speak with their voice (Booth et al., 2006; CARE, 2004; Peters and Kambewa, 2007).

The embedding of this neopatrimonial state has been reinforced by the nature of political governance in Malawi following independence from British colonial rule in 1964. In the immediate post-independence period, the first Malawian president, Dr. Hastings Kamuzu Banda, ruled for 30 years. Although he spoke against colonialism, under his ‘presidency for life’ Malawi continued to experience a form of authoritarian governance at the hands of Dr. Banda who demanded obedience and loyalty to his regime (Brody, 2008). This dictatorial regime reinforced feelings of dependence for

many who were advised ‘not to worry’ as Dr. Banda, the ‘big bwana’,<sup>53</sup> and muzungu (foreigners) will do everything for the majority. Sen (1999) refers to such dictatorial rule creating an environment where people need not think or take responsibility or make choices. Such a culture inhibits the practice of freedoms associated with democracy that are central to the requirements of fair trade approaches. Therefore, with limited democratic culture or tradition, the impacts and experiences of fair trade may be different from those promoting fair trade practices.

A number of commentators (Booth et al., 2006; Chisinga, 2007; Harrigan, 2001; Record, 2007; and Silungwe, 2009) classify the Banda era as a period in which the country could be referred to as a developmental state. The mission of those governing a developmental state is to introduce policies toward the aim of sustainable economic development based upon high rates of economic growth. The inspiration for such a policy framework was discussed in Chapter Two when a ‘how to develop’ manual was promoted for low income countries.

These commentators suggest that in the case of Malawi development policies were based on ultimately unsustainable support and reliance upon agricultural sectors. The approach consisted of support for both large estates and small-scale producers, discussed in more detail in the next section. Justification for this policy approach came from the fact that unlike some of its neighbours, such as Zambia and Zimbabwe, Malawi was not endowed with mineral resources as a source of national income.

Following Banda’s rule Malawi entered a democratic era, in part due to the conditions associated with the liberalisation agenda of Structural Adjustment Programmes (SAPs) of large international donors. Malawi began multiparty elections in 1994 electing Bakili Muluzi who ruled for ten years. Record (2007) refers to this period as the ‘lost decade’ where through a combination of poor governance and pursuit of liberalisation policies the country experienced increasing income disparities. Furthermore, underlying inequalities such as unequal land distribution that can be traced back to legacies of colonial regimes of practices were not addressed (Booth et al., 2006). Also during this era the country suffered from shortages in production of

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<sup>53</sup> Booth et al. (2006) use this term to refer to the ‘big man’ presidential style rule of Dr. Banda.

the staple crop, maize, which contributed towards a severe famine in 2002. A report by Owusu and Ng'ambi (2002) blamed the liberalisation policies of the World Bank and IMF for this famine.

The legacies of colonial and postcolonial policies have increased inequalities and dependencies in Malawi, in particular dependence upon agricultural cash crop exports. Legacies such as these should be considered when analysing the context into which fair trade principles and practices enter as unequal and dependent forms of governance and institutional environments shape outcomes of efforts to empower those embedded in such contexts.

### **4.3.3 Postcolonial agricultural economy and land use**

As highlighted in Chapter Two, there are a number of historical factors that have embedded many SSA economies in various forms of dependency. In Malawi the two most apparent forms are reflected in dependence on foreign aid and the agricultural sector, dependencies also evidenced in other countries.

Malawi's dependence on foreign aid for national public expenditure is highlighted by IFAD (2009a). They estimate that over the past decade foreign aid (in the form of loans and grants) amounted to 14% of Malawi's gross domestic product, with around 40% of the annual budget coming from a few principal donors such as DFID and the World Bank (World Bank, 2008). To provide an instance of the limited budget for public goods, the Malawi government spends \$12 per person per year on healthcare (FCSD, 2005).

The agricultural sector employs approximately 80% of the labour force and accounts for over 80% of export earnings. Tobacco is the country's leading cash crop export, accounting for approximately 60% of agricultural export earnings, followed by sugar and tea.<sup>54</sup> Production volumes from small-scale producers represent approximately 75% of agricultural production, but the majority of this is in low yielding rain-fed maize production for subsistence. In the tea and sugar sectors small-scale production

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<sup>54</sup> NSO (2006).

only accounts for approximately 5% of total volume of each commodity, with estates and plantations contributing the bulk of the total volume.<sup>55</sup>

Thus, in Malawi's postcolonial economy there is limited market share in higher value cash crop exports for small-scale producers. This limited market share means that small-scale producers only have a small amount of political leverage to affect the production and financial returns from their produce. Such cases of restricted control and influence need to be accounted for when efforts to facilitate empowerment of small-scale producers are attempted.

The origins of uneven levels of governance can be traced to legacies from colonial and contemporary postcolonial policy frameworks. Under British rule commercial estate agriculture was imposed and the concepts of land ownership and private governance of land were introduced to Malawi. As a result, ownership of large areas of land switched from control by indigenous communities as customary land to colonial administrators as privately owned land. By the 1950s numerous tobacco and tea estates owned by white elites had emerged, employing large numbers of landless wage labourers to work on the plantations. This created a situation where Malawians had become tenants on their own land, a situation similar to other SSA countries.

Support for the estate sector continued during Dr. Banda's presidency, which resulted in increasingly unequal land distribution as more land was granted to estates and large landowners under leasehold land tenure arrangements (Lele, 1989). The continued influence of colonial policies shaping land relations<sup>56</sup> and the associated reinforcement of colonial injustices in the immediate post-independence period in Malawi has been described as a period during which 'postcolonial elites'<sup>57</sup> simply stepped into the shoes of the departing white settlers' (Chisinga, 2008: 4). This situation created land access and land insecurity issues for many rural Malawians. The increased control of land in the hands of a few increased the pool of landless labour available to the elite classes.

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<sup>55</sup> Parrott, I. pers comm. 10<sup>th</sup> June 2008, and Namata, B. pers comm. 27<sup>th</sup> September 2007.

<sup>56</sup> For more see Silungwe (2009: 26).

<sup>57</sup> Elites are defined as politicians, senior civil servants, senior parastatals employees and traditional leaders (chiefs) (Chisinga, 2008:8) who benefited most from land reforms (Chirwa and Chisinga, 2008:3).

Support for estate expansion represented one half of a dual agricultural system. The other half was support for small-scale production to meet national food security needs (Chirwa, 2004). To support small-scale sectors, producers were provided with extension services, inputs, and markets in the form of parastatals to produce primarily maize.<sup>58</sup> However, with more land granted to estates and with more people in the country, the pressure on land increased.<sup>59</sup> For the large majority of Malawians this has restricted their access to land with many having only 0.3 hectares for subsistence crop (maize) production (Ellis et al., 2003). For those seeking to empower others, once again this highlights a situation where many small-scale producers still lack access to significant factors of production such as land with which to improve their livelihoods and therefore empower themselves economically.

The governance of non-estate (non-private) land is also significant. This land, to which small-scale producers have access, remains under customary tenure with the rights to cultivate and transfer land (as with many other local rights issues) governed by Traditional Authority (TA) leaders (Babu and Sanyal, 2007). While it has been acknowledged that the TA system and the associated status in local communities plays an effective role in matters of social cohesion and conflict resolution (Ellis et al., 2003), and that a lot of rural poor continue to trust their TA leaders, others have voiced concern about the poor governance of TA leaders in development related issues such as land access (CARE, 2004; SARPN, 2004). Such critics point to the lack of formal education and administrative skills of TA leaders and an associated lack of accountability and transparency into the granting of land access. There is, therefore, continuing inequality in land holding and rent appropriation from the principal export crops of Malawi, further skewing rents from these crops to a minority rather than a majority.

In the postcolonial era (specifically through the 1980s) Malawi was subject to international liberalisation policies to remove the state from commercial operations. Gibbon (2001a: 66) charts this as a common feature for many countries with the consequence that as the involvement of the state decreased, the rights to access and

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<sup>58</sup> For instance, ADMARC (Agricultural Development and Marketing Corporation) is a Malawian parastatal organization created in 1971.

<sup>59</sup> Primarily from increased national population levels and migrant pressure from Mozambique from the late 1970s to the early 1990s when an estimated one million sought refuge in Malawi.

rules governing agro-commodity networks increasingly shifted to the control of large-scale international commercial producers, traders, and processors. The dominance of large-scale producers in the sugar sector is discussed in section 4.5.2.

The withdrawal of support and extension services that small-scale producers had experienced in the Banda era left many unprepared and exposed to the rules of market conventions. In response, some switched to tobacco production to chase the higher prices perceived in that market or were encouraged to switch to small business such as vending. For many others, the removal of governmental support to grow and sell subsistence crops to parastatals meant the only asset they had to sell was their labour. This left many people only able to offer ganyu (Ellis et al., 2003).<sup>60</sup> From a post-Marxist geographical perspective, such processes accentuated disparities between asset holdings and scales of inequality.

Despite a few success stories, the majority of Malawi's small-scale producers remain subsistence farmers who do not consider farming as a commercial business and, therefore, lack any history of commercial agriculture experience. Furthermore, as identified by Pinder (2004), markets in Malawi are weak largely because it does not have a 'market culture'. In research Pinder found that in the majority of rural households there was little knowledge of prices, sales outlets, and concepts such as value-added and economic markets. The concept of a market was only discussed by respondents in reference to local roadside markets.

This lack of market culture, knowledge asymmetries, and the uneven playing fields in trade relations represent further examples of legacies of previous colonial and postcolonial regimes of practices. In the case of the lack of market culture this can be traced to historical influences of reliance on the state and parastatals as buyers of produce. The governance of markets for cash crops such as sugar cane in Malawi's contemporary postcolonial economy is discussed further in section 4.4. That section focuses upon the principal forms of governance and institutions embedded in the global production network of sugar cane.

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<sup>60</sup> Ellis, et al. (2003) define ganyu as casual labour sold for cash by the less fortunate to better-off farmers.



The dependencies, economic structures, and asymmetries discussed above contribute to Malawi's low per capita average income. According to the World Bank (2008) the annual average per capita income in Malawi is \$160.00 and there is a relatively high level of income inequality with a Gini coefficient rating of 0.38.<sup>61</sup> To some extent that inequality is reflected in regional and rural incomes. For instance, the average rural income in Chikwawa is significantly lower than the national average in relative terms at MKw 8,400 (US\$ 60.00),<sup>62</sup> which once again highlights unevenness and inequalities among those collectively represented as poor.

#### **4.3.4 Constrained population**

When defining empowerment as a process to enhance capacities and abilities to act as economic and political agents,<sup>63</sup> one of the significant factors constraining such processes is low personal income. As indicated above, Malawi is considered a country with one of the lowest per capita incomes in the world. Furthermore, according to the UNDP (2009), Malawi ranks as one of the fifteen economically poorest countries in the world where a significant proportion of its population each year experiences chronic food insecurity (Ellis et al., 2003). This situation where the majority of Malawi's population is constrained in enhancing their livelihoods is reflected by the following internationally defined statistical measures:

- Recently UNICEF (2009) reported that up to 14% of the population will be at risk of food insecurity, a figure higher than the previous year in part due to rising food prices.
- Approximately 52% of Malawians live below the poverty line,<sup>64</sup> of which 22% are not able to meet their daily food needs (IMF, 2007).
- The most significant health risks are malnutrition, as 35% of Malawians consume insufficient calories (World Bank, 2008); HIV/AIDS affecting approximately 14% of the population; and malaria, which accounts for up to 25% of reported deaths.

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<sup>61</sup> The Gini coefficient of inequality is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

<sup>62</sup> NSO (2005)

<sup>63</sup> As defined in Chapter Two.

<sup>64</sup> According to NSO (2005), the poverty line in Malawi Kwacha per person per year is categorised as 'poor' with an income of MK16,165 (US\$115.46) and 'ultra poor' with an income of MK10,029 (US\$71.64).

- Such risks restrict the average life expectancy to 40 years and the under-five mortality rate is considered high at 175 per 1,000 live births (UNDP, 2009).
- Limited access to formal education has led to levels of adult literacy in rural areas at approximately 60%. In Chikwawa (the research district of this study) 31% have had no formal education and only 60% received some amount of primary education.<sup>65</sup>

Presenting such statistics may be problematic for some postcolonial scholars who argue that they are generated by the development field to paint a picture of a bleak, meaningless future for Africa and thus to maintain the underdevelopment project (Power, 2003). However, this thesis argues that such statistics are useful as part of an appreciation of hybridity and complexity in postcolonial places by highlighting different livelihood positions of different members of society. Furthermore, acknowledging that the lived realities of many Malawian people are subject to livelihood enhancement constraints, highlighted by development statistics in this way, represents an important element of accounting for the context into which people-centred approaches such as fair trade enter. This approach represents an example of a grounded critical reflection applied in this thesis that is cognisant of postdevelopment critiques but does not jettison some contributions from the international development field.

#### **4.3.5 Looking towards empowering the local population**

The preceding discussions indicate that structures of dependency, low incomes, and unequal distribution of wealth in which many Malawians are embedded is a result of policy changes of both international and national regimes of practices, such as those associated with aid and land use. This section highlights how this continues to be the case with reference to recent policy changes that attempt to empower low income rural communities through increasing responsibilities for the delivery of socio-economic enhancements at local levels.

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<sup>65</sup> NSO (2005) and IFAD (2009a) state that the south of Malawi has the highest rates of rural illiteracy.

At the international level, Malawi reached completion point<sup>66</sup> under the Heavily Indebted Poor Countries Initiative (HIPC) in 2003, which granted various debt reliefs to the country but which did not change the high level of dependence on foreign aid. At a national level the country established a Malawi Growth and Development Strategy (MGDS) 2006-11 as part of the IMF's Poverty Reduction Strategy Papers (PRSP) series. The overall goal of the Malawi PRSP is to achieve sustainable poverty reduction through socio-economic and political empowerment of the poor (IMF, 2002). A central theme of the strategy is to raise local awareness and strengthen participation of all stakeholders in decision making processes, rhetoric very similar to that of fair trade and community empowerment as introduced toward the end of Chapter Two.

However, it is important to highlight key differences between strategies such as PRSPs and fair trade. PRSPs can be criticised for maintaining the dominance of institutions such as the World Bank and IMF in the design of strategies to help alleviate poverty. At this level poverty is still considered a problem of individual countries to be tackled at the national scale, therefore repeating structural approaches to poverty and development that have been critiqued for many decades. PRSPs are silent on issues that affect poverty such as unfair trade relations that represent the core focus on the fair trade movement. At this level fair trade is different in that it specifically highlights and targets uneven relations and governance of the production of commodities in different countries, such as sugar in Malawi. Issues and empirical themes regarding both fair trade and public policy efforts toward empowerment and participation of local constituents are revisited later in this thesis.

In Malawi, two key public policies toward local empowerment objectives target land reform and decentralisation of political and development responsibilities from state to local community jurisdiction. The land reform process started in the late 1990s in response to concerns regarding land access and control highlighted above. A review of the reform by Kandodo (2001: 5) states 'the primary goal [of the new land policy] is to ensure tenure security and equitable access to land, and to facilitate the

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<sup>66</sup> To reach completion point it is required that a national government has prepared and implemented a PRSP and other IMF and World Bank designed structural and social reforms such as good governance and decentralisation (World Bank, 2009b).

attainment of broad based social and economic development through optimal and ecologically balanced use of land and land based resources'. To achieve this, the proposal was to formalise the role of TAs and change the customary land status to one of full ownership under the control of local chiefs as heads of Village Land Committees (VLCs). Such an amendment to the governance of land has implications for small-scale producers and those wishing to support them for the following reasons.

One key objective of this strategy of decentralising demarcation and administration of land use to empower communities via VLCs is to increase the transparency of land governance with a requirement to register all land related transactions. A challenge associated with this approach highlighted by Moyo (2006) returns to the issue of the capacities and capabilities of local chiefs discussed in the previous section. The concern is that resistance to change and a generally low level of civic education within large sections of rural communities will hinder the process. Over the past few years there have been some pilot projects to see how effective the proposed changes may be with a desire to expand the policy nationwide after 2009.<sup>67</sup> Concerns related to the role and influences of TA leaders are discussed again when empirical research data is presented later in the thesis.

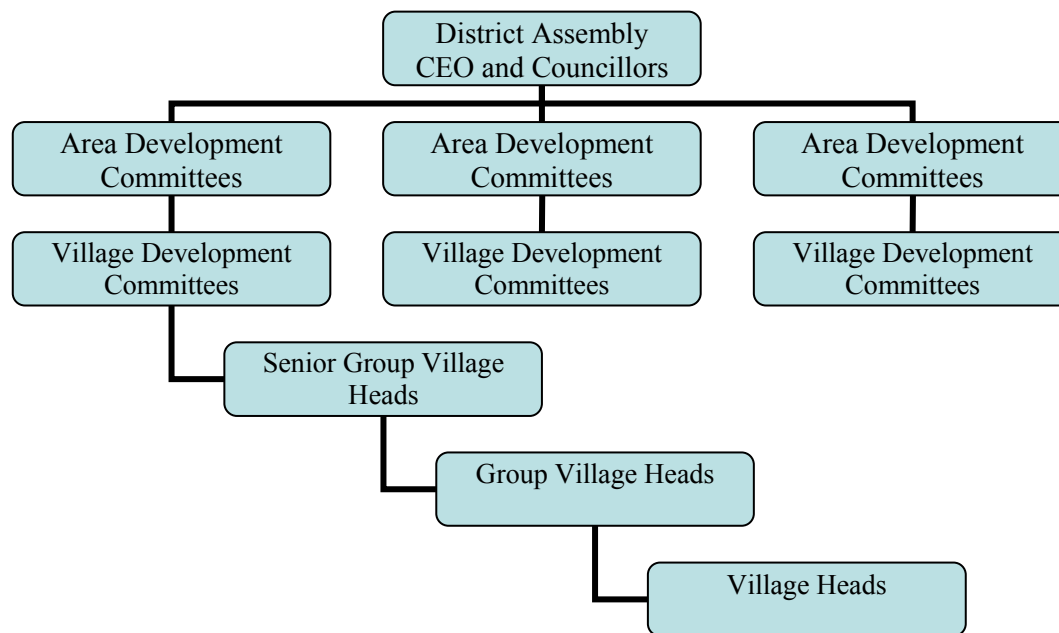
Alongside and associated with the proposed land reform policy, a nationwide decentralisation policy was implemented in 1998 aiming to increase the number of people involved in decision making by empowering local authorities in the governance of their communities. It is an attempt to merge the two 'neopatrimonial' postcolonial governance structures identified in section 4.3.2. Local government units now comprise membership from elected councillors or civil servants and non-elected TA leaders and their associated traditional village structures at district level. Figure 4.2 highlights Chikwawa as one of thirty nine districts in Malawi.

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<sup>67</sup> Interview with a Chikwawa District Assembly officer.



hierarchical communal societies. The District Assembly (DA) is a government structure to oversee and control government departments at the district level. Each local government authority has its own assembly with a district commissioner as the chief executive. The assembly comprises all the (unelected) chiefs and (elected) councillors in a district. The committees map out development policies to send to central government for funding.



**Figure 4.3 Generic local district authority organogram**

In theory anyone in a village can approach his or her village head (typically male) to state development needs or ideas for projects in the community. The village heads discuss these at group level to submit proposals to the Area Development Committee (ADC). The ADC is comprised of the TA leader, the Group Village Headmen, and some local NGO officials. A District Executive Committee (DEC), as a technical structure of NGOs and government officials such as agricultural specialists, reviews ADC proposals and advises the DA on which proposals to submit to local and national ministries as part of the decentralisation programme.<sup>69</sup>

Since implementation there have been problems with this shared system of governance. In Chikwawa some local elections have failed leaving a shortage of elected councillors. Also many Village Development Committees (VDCs) lack

<sup>69</sup> Established in interview with a Chikwawa District Assembly officer.

training or formal education, so they do not know or do not fully understand their representative roles and responsibilities in the decentralised governance structure.<sup>70</sup>

The committee members also tend to be male elders who are very conservative (CARE, 2004), retaining traditional values and not promoting inclusion of more voices. This means that for the majority of the rural poor there is lack of an avenue through which they can participate to voice their opinions and concerns. Empirical examples of this are discussed later in the thesis.

Adding to dissenting voices on the decentralisation process, CARE (2004) claimed that only the local elite (especially Chiefs and Village Headmen) have been able to benefit from the process due to their privileged position in a very hierarchical society. This situation exacerbates embedded negative trends toward environments where a few can increase power and financial gain, but where the majority remain disempowered. A similar critique is picked up by Ellis et al. (2003) in a study of rural poverty in Malawi. In it they point out that decentralisation is a top-down agenda, not driven by popular demand for local autonomy, but imposed upon a population that may not be in a position to be able to assume the control and influence mechanisms being granted to them. This situation of a lack of custom among large sections of rural populations in Malawi to assume more control over decisions that affect their lives has implications for the effectiveness of people-centred approaches. Principally this refers to encountering people who are unaccustomed to democratic and participatory approaches that are often central to approaches to empower others. The constraints that such situations place on fair trade are explored further as this thesis develops.

Concerns regarding the transfer to TA governance have also been raised with regard to land reform. For instance, Peters and Kambewa (2007) discuss that a shift from state to the community and conferring land right governance to TA leaders may have the impact of increasing inequality, tensions, and conflicts between and within different ethnic and regional groups. In this scenario local elites may then become the minority landowners resulting in a majority of rural poor remaining without access to land. If the new land reform policy is enforced, Chirwa (2004) suggests that there

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<sup>70</sup> Established in interview with a Chikwawa District Assembly officer.

would need to be mechanisms in place to impose transparency and thus avoid misappropriation of land by a minority.

An empirical example of the issue of governance within Malawian society has recently been highlighted since the recent intervention of the current presidential regime in the agricultural sector with the introduction of a fertiliser subsidy scheme. The scheme has received much attention from the international agricultural development field, often being celebrated as a success (Dorward et al., 2008, McGaw, 2008) and as a key to empowering farmers. Despite some recorded successes, however, issues with this intervention have been raised that are of relevance to this research. Firstly, there is a concern that food security will only be assisted in the short term (Bezner Kerr, 2008) and, secondly, there is evidence that only higher income households tend to receive subsidised fertiliser (Minde et al., 2008). As a result, many suffer at the hands of ‘voucher politics’ as only those with ties to local leaderships received vouchers for fertiliser (Bezner Kerr, 2008).

Such instances and related concerns regarding access to and governance of assets and participation in decision-making processes suggest a continuation of a neopatrimonial system. In this situation the majority of rural families remain constrained in an environment in which they have limited ability to directly affect their livelihoods. These local governance issues and the impacts of hierarchical institutional environments on fair trade are discussed again in empirical analyses later in this thesis.

#### **4.3.6 Societal embeddedness summary**

The combination of low levels of formal education, exposure to numerous severe health risks, a weak agricultural economy, and multi-scalar hierarchies discussed here have resulted in a large majority of Malawians embedded in a constrained society. This form of societal embeddedness limits opportunities for a majority to be able to enhance their lives through connections to global agricultural production networks directly. Furthermore, repeated economic, social, and climatic shocks have reduced assets, savings, and ability to assist others (UNICEF, 2006). This combination of factors and circumstances has left Malawi with a population that lacks some of the capacities, capabilities, and freedoms that are frequently stated as essential



components of development and empowerment (DFID, 1999; Sen, 1999) as discussed in Chapter Two.

The above analysis has also identified a number of factors that have kept the country embedded in dependent international relations and large sections of the population embedded in a society containing knowledge asymmetries and power imbalances. The continued dominance of TA leaders in rural governance, the paternal post-independent era of Dr. Banda, and the remaining postcolonial dependence on external donors means there are large percentages of the population considered as subjects and not empowered citizens who are capable of bringing about change to their lives. As Pinder (2004) claims, this has maintained a long-running ‘hand-out’ rather than ‘hand-up’ culture in Malawian society. The influences of such situations on intended and unexpected consequences of fair trade (specifically Fairtrade) are evidenced in discussion in Chapters Six and Seven.

#### **4.4 Network embeddedness: political economy of sugar cane**

Moving the analysis from the postcolonial country (Malawi) to a postcolonial agricultural commodity, this section focuses on one of the cash crops on which the Malawian economy is dependent, sugar cane. Incorporating the central concepts of a PAPN framework, the discussion and analysis of the sugar cane sector examine the multi-scalar institutional environment and forms of governance in which the production and trade of sugar cane in Malawi are embedded. This examination emphasises the influence of the global market and associated transnational transactions, social and political factors, and dependencies or ‘tie-ins’ that embed low income sugar producers into particular networks of vertical inequalities of governance and institutions.

Writers on the subject of global agricultural commodity trade and production argue for a need to recognise the promotion of cash crops by colonial rulers. Such policies created ‘commodity traps’ and continue to shape dependencies on such commodities (Barratt Brown, 2007; Barratt Brown and Tiffen, 1992; Vaughn, 1987). The legacies of these and contemporary regimes of practices are explored in this section to identify the important nodes of governance and institutions in global sugar cane production

networks. This thesis argues fair trade advocates need to be cognisant of such complex networks that affect low income sugar cane producers.

Sugar production has been entwined in colonial and postcolonial societies for centuries (Mintz, 1985). Colonial sugar plantation economies in the Americas and associated slave trade economies from Africa developed significantly between the 16<sup>th</sup> and 19<sup>th</sup> centuries (Curtin, 1990; Klein, 1986). Some significant changes in the geography of sugar production emerged during the 19<sup>th</sup> century for a few key reasons including the formal abolition of slavery, the scramble for Africa and the Pacific, and increases in sugar beet production.

Until the mid 19<sup>th</sup> century sugar cane production from tropical regions satisfied 85-90% of world consumption needs (Grigg, 1992: 151). Towards the end of the 19<sup>th</sup> century, sugar consumption grew significantly requiring the expansion of sugar production. Some new sites of sugar cane plantation production emerged, for instance in Mauritius, South Africa, Hawaii, and Fiji (Galloway, 1989). At the same time there was significant growth in sugar beet production in temperate climates in Europe, the United States, and Japan. By 1900 sugar beet provided 47% of world consumption needs (Grigg, 1992: 151), substantially altering the dynamics of global sugar production.

From such a history it is possible to identify the origins of many of the multi-scalar networks that continue to exist in the present day global flows of sugar production and consumption. Over time the international production and trade of sugar has become increasingly political. One particularly important point to recognise in the case of sugar is that unlike other tropical commodities such as coffee and cocoa, sugar became and remains a ‘competing commodity’ as cane producers compete with beet producers in the north (Green, 2005). For many decades the complexity of the sugar sector has been particularly influenced by such global sugar production and trade geographies and associated rules and regulations, processes that the majority of the lowest income sugar cane producers have not participated in.

#### 4.4.1 Global sugar market

Before exploring the complex macro political economy of sugar in more detail, it is useful to identify current trends in global sugar production to locate the principal sites of production, and, therefore, some insight into nodes of governance in the form of control and influence in the sugar world. Referring to the concept of global production networks, such analysis begins to foreground issues related to power as control and influence, value appropriation, and embeddedness in sugar GPNs.

At the start of the last century global sugar consumption was 11 million metric tonnes (MT), increasing to 36.5 million MT by 1950.<sup>71</sup> To meet current demand, in 2008 it was estimated that global sugar production reached 169.6 million MT (see detailed country production, export, and consumption details in Table 4.1).

Country	Production (million MT)	Exports (million MT)*	Consumption (million MT)
Brazil	31.355	20.957 (1)	11.02
India	28.804	3.298	22.34
EU	17.567	1.4	16.66
China	14.674	-	14.454
Thailand	8.033	5.288 (2)	2.34
United States	7.701	-	8.729
Mexico	5.978	0.35	5.564
SADC	5.834	2.41	3.454
Australia	5.013	3.75 (3)	0.94
Pakistan	4.891	-	4.125

**Table 4.1 Leading global sugar producing, exporting, and consuming countries**

Source: Adapted from Illovo (2008)

\* (1), (2), (3) denotes world sugar export ranking; top 3 are all sugar cane producers

Globally, sugar cane accounts for approximately 75% of supply, the production of which is dominated by Brazil which accounts for 43% of world exports (Anon., 2006). In 2008, 69% of world sugar production was consumed in country of origin which highlights a relatively small percentage that is traded internationally. Although

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<sup>71</sup> FO Lichts (2008).

Africa as a whole is not a major producing or exporting region in comparison to the likes of Brazil, for a country such as Malawi that relies heavily on foreign earnings from sugar cane exports, it is a very important commodity. That importance stems from the embedding of the Malawian economy's dependency on economic value from such GPNs established in colonial eras of governance.

The cost of sugar production varies considerably, referred to again later when discussing Malawi's situation in the global market. According to Illovo (2008), the top sixteen lowest cost sugar producers are all sugar cane producing countries. Malawi is the third lowest cost producer after Brazil and Zimbabwe and is thus a more attractive source of sugar cane to international buyers in the networks of global sugar trade. In a level playing field scenario Malawi would, in theory, be able to export much larger quantities of sugar in free competition with sugar beet producers (such as the US, UK, France and Germany) who are among the highest cost producers. However, as the next section highlights, no such playing field exists.

#### **4.4.2 The macro political economy of sugar**

In Chapter Three (section 3.7.1) I argued for a need to understand the variety of institutions and regulatory structures associated with a commodity and the governance of trade rules. As noted above, it is widely recognised that the global trading and production networks of sugar have been some of the most tightly regulated in international trade (Richardson, 2009). Due to the rise in demand for sugar and the new economic profits coming with that demand over the past century and a half, the governance of the international trade of sugar soon became highly political and subject to a variety of regulations, tariffs, quotas, and preferential multilateral agreements. This increase in politicisation and regulation has significantly changed the governance and institutional environment of global sugar trade and production networks.

In the post-independence era, the most significant arrangement for low income countries such as Malawi is the European Union's Common Market Organisation (CMO). Generally known as the sugar regime, the CMO has remained virtually unchanged since its establishment in 1968 (DEFRA, 2006). The sugar regime was based upon three pillars: guaranteed prices, export subsidies, and import restrictions

(Richardson, 2009). The regime was designed to support EU sugar beet growers with each member state allocated certain quotas. Non-EU sugar was subject to import tariffs to make EU sugar more competitive. Exceptions were made for former British and French colonies, collectively referred to as African Caribbean Pacific (ACP) countries.<sup>72</sup>

Of those ACP countries, eighteen were sugar producers<sup>73</sup> (including Malawi) who were granted preferential non-reciprocal access to EU markets in the form of guaranteed quota volumes and prices. This arrangement became the Sugar Protocol which was negotiated as part of the Lomé Convention in 1975 and succeeded the CMO for sugar. Such an arrangement was viewed positively at the time by Singer and Ansari (1977) as an example of co-operation between high and low income countries. Subsequent conventions followed, the last being the Cotonou agreement in 2000. Through that time, and until 2005, the arrangement remained largely unchanged.

The Sugar Protocol represents an example of a mechanism of governance or regime of practices constructed in one part of the world that had implications for other places. In the case of Malawi, dependence on others was increased through such arrangements and formed part of the justification for continuing support of large-scale estate agriculture. It is also an example of the continued concentration of power in the international trade and production of sugar in the hands of high income countries that retained a neo-colonial form of control over the prices and destination of much of the export produce of low income countries such as Malawi. Referring to earlier discussions in this thesis, such a formal set of ‘rules of the game’ represent a continuation of, rather than a break from, uneven playing fields established in colonial eras.

#### **4.4.3 Dissenting voices of sugar cane producers**

In 2004 the highest volume sugar cane producing countries (Australia, Brazil, and Thailand) submitted an argument to the WTO that EU subsidies and preferential agreements identified above violated global free trade rules. By April 2005 the

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<sup>72</sup> There are 79 ACP states: [http://www.acpsec.org/en/acp\\_states.htm](http://www.acpsec.org/en/acp_states.htm)

<sup>73</sup> Sugar protocol countries: Kenya, Mozambique, Zambia, Zimbabwe, Tanzania, Congo Br., Madagascar, Cote d'Ivoire, Swaziland, Malawi, Belize, Guyana, Fiji, Trinidad, St Kitts, Jamaica, Barbados, Mauritius (EU 2005a).

WTO's Dispute Settlement Body (DSB) upheld this argument and ruled that the EU was breaking limits on export subsidies. In response to this, the EU proposed reforms to its sugar policy, published on 22 June 2005. The principal details of the proposal were to reduce cane and beet sugar prices, compensate EU farmers, and introduce an assistance programme for ACP countries (EU, 2005b).

To comply with WTO rules on non-discrimination and reciprocity in trade, the EU began negotiations with different regions of the ACP countries to agree new arrangements. The new EU sugar regime has officially been effective since 1<sup>st</sup> July 2007 and the old protocol ended 30<sup>th</sup> September 2009. Table 4.2 details the principal changes to ACP sugar prices which highlights the difference between the prices that the ACP countries were receiving and those they are now receiving.

Year	Price per MT	% change vs. original
Old protocol price	€523.70	-
2006/7	€496.80	-5.1%
2007/8	€496.80	-5.1%
2008/9	€434.10	-17.1%
2009/10	€335.00	-36.0%

**Table 4.2 New EU sugar regime prices**

Source: Agritrade (2008)

These changes to the EU sugar reform will be a phased process. During the first phase (until 30<sup>th</sup> September 2009) there were market access improvements for Least Developed Countries (LDCs)<sup>74</sup> status countries at the revised prices in Table 4.2. The second phase will run until 30<sup>th</sup> September 2015 which will incorporate further freeing of market access and reductions of guaranteed quotas. Also during that period importers will only be required to pay 90% of the above €335.00 price for ACP raw sugar, so the effective new price until then will be €301.50. From 1 October 2015 ACP sugar will be quota free and duty free in line with the new EPA agreements and so there will be no further fixed prices or quotas for raw sugar exported from Malawi.

<sup>74</sup> LDC status: UN poorest country classification. LDC classified countries can supply to EU duty free. List of countries can be found at <http://www.unctad.org/Templates/Page.asp?intItemID=3641&lang=1>

To put these prices into the context of prevailing world market prices requires currency and weight conversions, and accounting for differences in delivery terms. Details of the calculations can be found in Appendix A; Table 4.3 highlights the main points.

Price per MT in euros	Equivalent in US cents per lb	Value if ACP volume = 1m MT
€523.70	32.36	US\$ 925.9m
€301.50	18.59	US\$ 533m
World price March 2009	13.07	US\$ 288.1m

**Table 4.3 Comparison of old and new sugar regime prices**

Sources: Adapted from Agritrade (2008) and Lamont and Blas (2009)

This analysis demonstrates a distinct difference between the old and new prices that ACP countries such as Malawi will receive for raw sugar sold to the EU. The guaranteed price to which ACP countries had become accustomed to, and to some extent dependent upon, since the 1960s will soon be almost completely eliminated. This point is made clearer considering that for some ACP countries sugar exports that were receiving guaranteed preferential high prices accounted for over one quarter of national GDP (Bilal, 2007). In the African context there are six SADC country members of the ACP sugar protocol group which includes Malawi.<sup>75</sup> Mauritius is likely to be most adversely affected as almost all of its sugar sector relies on preferential markets and is also a relatively more expensive sugar cane producer.

One important distinction between the old and new arrangements is reciprocity of free market access between all countries. This differs starkly to the protection guaranteed under the preferential quota system as part of the Sugar Protocol for countries such as Malawi. Therefore, in theory it represents an empirical example of setting a level playing field. However, for reasons already identified, many ACP countries are not politically or economically empowered sufficiently to benefit from such an arrangement. The need for some form of protection for low income countries highly dependent upon earnings from sugar exports in an environment of free market

<sup>75</sup> The others are Mauritius, Swaziland, Tanzania, Zambia, and Zimbabwe.

networks (such as that outlined above) is one of the principal rationales for fair trade and requests for the expansion of such (albeit perhaps interim) protectionist measures.

#### **4.4.4 An ACP sugar cane voice**

The analysis of the networks of the principal rules and regulations and the new global sugar environment suggests that many challenges lie ahead for smaller volume producing countries. Many countries may be faced with less capacity to influence the prices and destination of their sugar cane exports in the global marketplace following the withdrawal of EU-ACP arrangements from those trade networks. Figures from the UN show that the preferential access of ACP countries to the EU market before 2005 represented 70% of the revenue of their sugar sectors (Bianchi, 2005). Therefore, with such a significant change to these arrangements it is not surprising that there should be concern over these proposals from those countries.

As argued above, it is in such situations that fair trade movements advocate the need for support to assist those producing sugar cane that represent the groups most at risk to potential disempowerment impacts such as declining incomes or the reduced capacity to govern the sale of their produce. This section outlines proposals advocated by fair trade and other groups who, through promoting alternative proposals based on a mode of civic governance, aim to address imbalances, uneven playing fields, and provide a voice on behalf of those seen at most risk to changes in the global political economy networks of sugar cane.

To present some counter proposals and arguments for alternative changes to the global sugar pricing systems, the LDC sugar group, who represent the LDCs that produce sugar, commissioned an extensive study to understand the implications of the proposed sugar reform. The study found that a more gradual reform over a 10-year period would create 'sustainable and competitive' sugar industries (Bianchi, 2005). In support of this more gradual approach Oxfam (2005) proposed a more pro-development reform strategy to provide low income countries with more time and support to adjust to the needed reforms to global sugar trade agreements.



A similar call for reform that focuses more closely on sustainable development has come from the African Union and the fair trade movement represented by IFAT.<sup>76</sup> Using people-centred development language, members of the African Union stated that ‘any kind of economic policy including international trade policies should be first and foremost geared towards sustainable development and equitable growth, which benefits the people’ (Anon., 2007: np). Like Oxfam, IFAT recognise the need for reform but argue that the proposed changes would benefit those in the European sugar processing industry. This is because, it is argued, these actors occupy some of the positions with the greatest amount of control and influence in the networks of global sugar trade and production. From such positions these actors will be able to purchase this key commodity at lower prices.

Furthermore, with greater economic and political influence, the large-scale sugar producers (such as Brazil) who initially argued for the change to the sugar reform would also significantly benefit. For IFAT (2005: 2) a fair EU sugar regime would instead ensure that small-scale sugar producers, particularly in low income countries, would receive greater shares of economic value generated by the sugar sector. This would reduce, it is argued, negative impacts on poverty and the foreign exchange earnings of the country (for instance Malawi).

A further challenge for ACP sugar countries with the new ‘improved’ market access granted with the new sugar regime is that bargaining power is generally affected by a country’s share of the global market (Kebonang, 2007). As identified in Table 4.1, SADC as a region is a small player versus the likes of Brazil and Thailand. Moreover, for countries such as Malawi, the EU represents a market upon which they are dependent for exports, but for the EU the Malawian market only represents a tiny fraction of trade. There are, therefore, many nodes of imbalances and dependencies in such trade arrangements. In addition, despite agreements to the contrary, the EU and the US have not yet reduced production to levels agreed in the new regime causing some oversupply and less access for ACP sugar.<sup>77</sup>

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<sup>76</sup> IFAT was the International Fair Trade Association now known as the World Fair Trade Organisation (WFTO).

<sup>77</sup> Illovo, pers. comm. 6 June 2008

In what is a very complex, highly politicised and sensitive set of negotiations, challenges and debates regarding new sugar rules will continue as the old sugar regime is phased out. With regard to sugar producing communities, the sugar industry generates significant income, some of which is invested in social welfare goods such as education and health care provision.<sup>78</sup> For those areas more adversely affected by the new sugar protocol the changes to the rules of the game in the networks in which they are embedded could lead to a significant reduction in income for those communities. Again, it is in such circumstances that fair trade community empowerment approaches are justified as efforts to provide more support for producing areas in need of economic, social, and political empowerment.

#### **4.5 Territorial embeddedness: specificities of local place and commodity production**

The detailed analysis so far in this chapter of both the Malawian postcolonial context and the political economy of global sugar has identified a complex and often dependent environment in which small-scale producers in Malawi are embedded. The significant changes in the global institutional environment that governs trade and production networks have direct impacts at national and local levels in Malawi. Given that such agreements and negotiations occur at a macro level, it is difficult to imagine small-scale producers embedded in restricted contexts having any influence on these decisions that affect their lives.

Such producers are not only dependent and disempowered to influence and participate in these global arenas, but they are also highly dependent upon embedded rules, networks, and industry structures in their own country. As argued in the construction of a PAPN framework, to highlight such factors it is necessary to move the analysis to the national level and highlight additional layers of dependency in local places of commodity production. To begin this enquiry into the territorial dimension of embeddedness, the next section outlines the key stages involved in sugar production.<sup>79</sup>

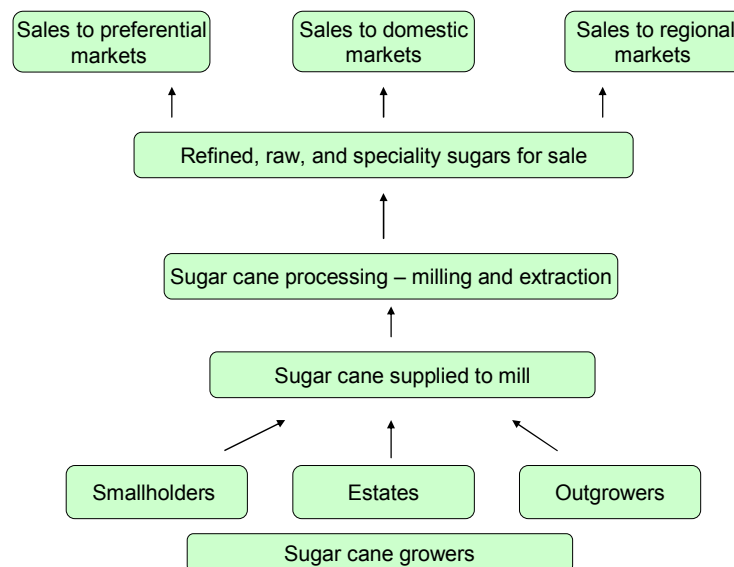
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<sup>78</sup> For instance Illovo serve 80-90,000 people in Malawi through health care on their two estates (Parrott, I. pers comm. 10 June 2008) and donated MKw 2 million (US\$ 14,000) per year to the Chikwawa District Assembly for a health centre (Chikwawa District Assembly officer).

<sup>79</sup> As Malawi is a sugar cane producing country this part of the discussion only focuses on cane and not sugar beet production and processing.

#### 4.5.1 Sugar production and dependent small-scale producers

There are three core processes to sugar production: growing, processing, and refining/marketing, as Figure 4.4 presents. The principal elements of each process are discussed below.



**Figure 4.4 Basic SSA Sugar Cane Production Network**

##### Sugar cane growing

The growing and processing of sugar cane tends to be located in close proximity which is due in part to the necessity to process sugar cane soon after harvest to extract the optimum quantity of sugar from the raw material. Therefore, sugar fields are normally located close to a sugar mill.

In Malawi the sugar sector has been dominated by estates since its introduction in 1965. The first estate was developed in the Nchalo area in the south of Malawi, approximately 20 kilometres south of Chikwawa. The estate was then owned by Lonrho and acquired by Illovo<sup>80</sup> in 1997 (both MNCs). A second estate was developed in the central region of Malawi in Dwangwa in 1976. At that time there was an expansion beyond estate production with the initiation of a sugar outgrower scheme called Dwangwa Cane Growers Limited (DCGL). In 1996, a second

<sup>80</sup> Illovo is a South African sugar company that operates estates across Southern Africa.

outgrower scheme was started, Kasinthula Cane Growers Limited (KCGL), in Chikwawa. This was funded and supported by international assistance as a scheme to deliver more economic benefit from sugar cane production to a low income smaller-scale agricultural community. More details regarding KCGL are presented later in this section as the case study for this research.

Sugar cane requires substantial sunshine, water, and warm temperatures, and the conditions in Chikwawa are regarded as well suited for cane growth. Sugar cane is an annual crop harvested every twelve months during the dry season from April to November. The same crop can be cut up to eight or nine times, but ideally no longer than that to maintain optimum sugar output. Harvesting requires dry conditions as the crop is burned to remove the grass from the cane. In Malawi the cane is then manually cut to be bundled and taken for milling.

#### Sugar cane processing

There are a diverse range of production forms and structures in which sugar is produced, varying in scale from smaller farm production to large multi-national plantation production (Burnett et al., 2002). Generally cane processing is highly capital intensive and, therefore, incurs significant financial costs. Once cane is collected from the field ideally it is crushed at a mill within 24 hours to extract the greatest volume of sugar crystal. The ideal estimated recovery crystal (ERC) for cane is 14%.<sup>81</sup> After crushing, hot water is added to extract juice which then passes through five stages of evaporation to crystallise and thicken creating natural brown sugar. The thickened juice is then boiled to produce a mixture of crystals (raw sugar) and syrup (molasses). The molasses are used for animal feed, baking, or alcohol production. At this stage the raw sugar is not fit for human consumption and requires refining to create the common white sugar with which most consumers are familiar.<sup>82</sup>

#### Sugar refining / marketing

Internationally sugar is mostly exported as raw sugar to be refined in or close to the country of final consumption. The refining and trading of this sugar is dominated and

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<sup>81</sup> In 2007 KCGL achieved an average ERC of 12%. Both Illovo and FTOs are making efforts to assist KCGL in achieving higher yields towards the 14% target.

<sup>82</sup> Data regarding growing and processing gathered from Burnett et al. (2002); Illovo Nchalo pers. comm. 6 June 2008; Tate and Lyle, (2009).

controlled by a few large corporations such as Tate and Lyle and Cargill. The majority of refined sugar is then sold on to large MNC processors such as Nestle and Unilever to manufacture consumer products for international markets. This situation reflects that portrayed by many researchers such as Fold (2002) and is an example of the concentration of higher value-adding activities discussed in Chapter Three. In the sugar sector there are asymmetries due to a concentration of power in the hands of a few large importers and processors at the consumption end of global production networks.

For domestic and regional consumption, sugar refining and marketing normally takes place in the country of origin. In the case of Malawi that is governed by Illovo who own the capital intensive means of production to convert sugar cane to consumable sugar and, therefore, control all of the processing and marketing of sugar.

Whatever the location of processing and marketing of sugar cane, the nodes where most value is added to the commodity are controlled by a few large corporations who possess the capacities to invest in the highly costly capital intensive technologies necessary to process sugar. Such capacities are beyond the reach of small-scale producers in Southern Africa. These producers are thus both regionally and internationally price-takers who have to sell their sugar cane to the nearest large-scale sugar mill in order for their raw produce to be processed into a consumable commodity.<sup>83</sup> That sugar mill then represents the market for small-scale producers and therefore an organisation on whom they are wholly dependent in order to obtain financial income from their produce.

The situation presented here is not constrained to the sugar sector as most unprocessed primary commodities have little value, and it is only through processing that value can be added. However, this situation is accentuated in the case of sugar which has little product differentiation making origin less obvious or significant for the consumer market compared to a more 'visible' commodity such as coffee, where provenance is often important, especially for speciality markets. Exporting a less visible homogenous commodity makes it more difficult for small-scale producers as price-

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<sup>83</sup> In some countries in Latin America smaller-scale producers process their own cane, but in Southern Africa the situation is that smaller outgrowers have to sell their crop to large plantation mills.

takers to add economic value to their produce. This, therefore, is a further consideration to be accounted for when seeking to politically and economically empower low income small-scale sugar cane producers.

#### **4.5.2 Malawi's sugar sector**

According to the Malawi Ministry of Trade (MoT, 2005), since the year 2000 sugar has overtaken tea to become Malawi's second largest merchandise export in value terms and second highest employer after the dominant tobacco sector. It is therefore a very important crop regarding the national economy. That importance is reflected by its inclusion as a key commodity in the Malawi Growth and Development Strategy (MGDS) which includes strategies to further promote outgrower schemes and improve transport links (IMF, 2007: 18). It is also important for the Illovo group as Malawian sugar represents between 35 and 40% of their income.<sup>84</sup>

As discussed in section 4.3.3 regarding the national economy of Malawi, large-scale sugar plantations dominate the national Malawi sugar map in terms of quantity of crop production and ownership of the means to process, refine, market, and distribute processed 'made' sugar for sale.<sup>85</sup> However, there is one key factor that has increased Illovo's dependence on outgrowers. The majority of land in Malawi is customary and so there is little private land available to purchase to expand plantations. Therefore, Illovo has participated with the government of Malawi to create outgrower schemes where customary land is held in trust on which new cane growing communities can grow cane to sell to Illovo. Despite this situation, however, the scale of dependency of outgrowers on Illovo's sugar mills as the only market to process their raw material is greater than Illovo's dependence on outgrower sugar cane volume, a situation reflected by the fact that, according to Illovo,<sup>86</sup> outgrower sugar cane only represents 5% of the cane processed in their mills.

Malawi's position as a land-locked country constitutes a further constraint on the amounts of economic value generated from sugar that can be retained in country.

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<sup>84</sup> Illovo produce approximately 40% of SADC sugar (Illovo, 2008).

<sup>85</sup> 'Made' sugar is an industry term to refer to sugar that has been industrially processed.

<sup>86</sup> Parrott, I. pers comm. 10 June 2008.

Without a seaport in Malawi, Illovo uses regional networks<sup>87</sup> to export Malawi sugar. The incurred increased transport costs, which impact negatively on the ultimate economic value obtained to be shared with outgrowers, exacerbates constraints already experienced by small-scale producers. Before taking other factors into account, in this situation Malawi is at a disadvantage as its landlocked location will always add to transport costs.

In terms of production statistics, in 2007 Illovo Malawi produced 290,000 MT of made sugar. The bulk (197,200) was sold for domestic consumption, 21%, or 60,900 MT, was sold to preferential markets such as the EU, and the remainder sold to regional markets.<sup>88</sup> This reflects the industry norm for large percentages of product sold to local or regional market networks. However, that does not account for the higher prices and returns gained from international export sales to preferential markets, a situation that is changing as discussed in section 4.4.3.

Despite the removal of guaranteed prices and quotas, both Illovo and Malawi's Ministry of Trade are optimistic that the outlook for Malawian sugar exports is positive. Together with Zambia and Zimbabwe, Malawi is expected to benefit from future open market access opportunities due to its relatively competitive production costs<sup>89</sup> and high quality of product (MoT, 2005; Motsoeneng, 2007). This optimism and confidence in Malawian sugar was demonstrated in 2006 when the parent company of British Sugar, Associated British Foods (ABF), acquired 51% of the shares of Illovo Sugar Limited to invest in and secure the supply of sugar from ACP countries. This optimistic outlook represents a further justification for fair trade organisations' (FTOs) reasons for investing in and supporting Malawi's small-scale sugar cane producers who could benefit economically and socially from this position that Malawi has in the global sugar market.

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<sup>87</sup> Sugar is exported through Mozambique's Nacala port which is parallel to Chikwawa, and Beira further south, and through the port of Durban in East South Africa.

<sup>88</sup> All data from Illovo (2007).

<sup>89</sup> This point was supported in interview with an Illovo representative who stated that sugar beet is three times more expensive than cane if unsubsidised and Malawi is competitive because it has good growing conditions (Parrott, I. pers comm. 10 June 2008)

### **4.5.3 Outgrower sugar in Malawi: KCGL**

The two outgrower schemes that exist in Malawi were introduced in section 4.5.1.

This section focuses on the most recent of these, Kasinthula Cane Growers Limited (KCGL), as the case study for this research. More in depth analysis of the case study, in particular of KCGL members, follows in Chapter Five.

The Government of Malawi (GoM) and the Sugar Corporation of Malawi<sup>90</sup> (Sucoma) agreed to establish a small-scale sugar cane growing company (KCGL) in the southern district of Chikwawa in 1996. As highlighted in Figures 4.1 and 4.2, Chikwawa is located in the south west of Malawi in the Shire valley. Most of the land is customary, controlled by TA leaders. At present approximately 25% of that land is cultivated for agricultural production, employing 80% of the workforce in the district. The sugar sector represents by far the largest source of employment and revenue for community investment in the Chikwawa district.

The GoM and Illovo financed the project to convert land from a previously unsuccessful rice growing scheme to grow irrigated sugar cane. The Chikwawa area was deemed suitable for sugar cane production for two principal physical reasons: firstly, the proximity to the Shire River as sugar cane requires a lot of irrigation, and secondly, the soil fertility was found to be very suitable. The land conversion, however, required significant finance and so loans were sought and provided by the GoM (with the involvement of donors such as DFID) and the Illovo Group.<sup>91</sup> Unfortunately, since a devaluation of the local currency (the Kwacha) in 2001, the repayments on these loans have risen dramatically and KCGL remains a heavily indebted company as a result.<sup>92</sup>

The land for the scheme was leased by the GoM to a Trust and subleased to the individual farmer members of KCGL (in line with land policy discussed earlier). The

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<sup>90</sup> Sucoma is 75% owned by the Illovo Group; the remaining shares are held by other investors.

<sup>91</sup> KCGL is, therefore, a development producer group formed with external donor funding and assistance. This is in contrast to organically formed cooperatives such as many in the Latin American coffee sectors that were the first groups fair trade worked with.

<sup>92</sup> I discussed the issue of this debt with members of my fair trade reference group and the Financial Director of Illovo. Large sums were borrowed through Illovo and a European development bank to start the sugar scheme. A few years later the local currency devalued, significantly increasing the level of the loan repayments. Since that time both Illovo and KCGL have been paying off the loans which reduces the profit made from the cane grown at KCGL by approximately 25%.



Trust was established to be responsible for the formulation of policies regarding the management of the scheme, to act as a mediator on behalf of KCGL, and to represent and promote KCGL to numerous external bodies and partners such as the GoM and Illovo. The Shire Valley Cane Growers Trust (SVCGT) is a board of trustees headed by a Professor from the Bunda College of Agriculture in the capital Lilongwe. It was envisaged that the board would also consist of various independent government ministry representatives and other professional personnel.

From the outset a Cane Supply Agreement (CSA) was signed that will be in force for at least the first 25 years of the scheme. In it was an agreement that all sugar produced by KCGL would be sold to the Illovo mill at Nchalo. The pricing system for KCGL sugar is based on a 'division of proceeds' (DOP) system that is designed to provide transparency in financial transactions between KCGL and Illovo. The DOP is structured as follows: from an average price obtained from all ex-mill sales of sugar and molasses realised by the Illovo mill, KCGL receives 60% of the revenue generated from the cane they supply to Illovo. As the refiner and marketer, Illovo retains 40% to cover various production and marketing costs, a common industry agreement.

Following the inception of the scheme, the membership of the SVCGT and the principal committee control positions within KCGL were secured by those locally empowered as elite members of the TA hierarchy. This situation is reflective of elite capture and control discussed in Chapter Two, the implications of which are discussed further in Chapters Six and Seven.

The somewhat complex networks and variety of actors associated with the KCGL scheme who are either involved in the direct production and management of the sugar cane or the promotion and marketing of made sugar are presented and explored in further detail in Chapter Five. That outlines details of the actors who became the participants in this research, including reference to fair trade organisations and committees.

#### **4.5.4 Fair trade rules of the game**

The above multi-scalar analysis of Malawi, the sugar sector, and the outgrower schemes provide a detailed picture of the institutional environment in which fair trade

is intervening in Malawi. This includes a highly political and complex global sugar market and a strongly integrated network at the production level that incorporates outgrowers and one buyer, Illovo. The purpose of this section is to identify the specific aims and approaches that fair trade attempts to embed into such a context, delivered through the Fairtrade system. To define fair trade I consulted fair trade literature and a fair trade reference group.<sup>93</sup>

As introduced in Chapter One and elaborated through subsequent chapters, the fair trade approach is based upon introducing ‘alternative’ rules of the game in market exchanges. Through establishing market access based upon co-operative trading relations and long-term trading partnership commitments, the objective is to improve the livelihoods of those participants in PAPNs who are seen to be most excluded from the benefits from trade. Fair trade aims to bring about livelihood change by affecting nodes of uneven governance in trade and production networks, unfair control of value appropriation and distributions of wealth, the capacities and capabilities of low income small-scale producers, and promoting responsibilities for social development at all points in global production networks (FLO, 2009b).<sup>94</sup> The approaches are influenced by theories of moral economy, participatory development, co-operation, and social capital.

The Charter of Fair Trade Principles (FLO, 2009a) and the Generic Fairtrade Standards for Small Producers' Organizations (FLO, 2009a) outline a number of core principles to be followed in fair trade exchanges to meet these aims. This thesis focuses on the following principles: creating opportunities for economically disadvantaged producers, practicing transparency and accountability, capacity building toward developmental impacts, paying fair prices, promoting equality and non-discrimination, and working to improve working conditions. Other principles that focus upon environmental issues, child labour concerns, trading practices of buyers, and promoting fair trade in consumer markets are beyond the scope of this research.

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<sup>93</sup> Members of two FTOs, Traidcraft and Twin Trading.

<sup>94</sup> There are other aims related to the environment that are not relevant to this study.

#### **4.5.5 Operationalising fair trade**

KCGL received Fairtrade certification status in 2002, a process partly driven by Illovo and the FLO's desires to get Fairtrade into the ACP sugar sector. In country the certification process was aided by the involvement of representatives of DFID and FTOs. Referring to Raynolds et al. (2007) and my fair trade reference group, the combination of this certification and relations with FTOs should benefit small-scale producers in the following ways: first, benefiting financially by paying guaranteed prices for commodities which are higher than the prevailing world market prices. Second, it benefits by providing a social premium to finance local community development projects and for investment in the small-scale producer organisation. The third benefit is through 'extra mile'<sup>95</sup> FTO support that provides information and training to enhance business and market awareness, and production and marketing skills. Fourth, as a Fairtrade certified producer group it is subject to auditable standards of the FLO that are aimed at improving the social and environmental well-being of the group members and their surrounding community.

In the case of KCGL, the producer group does not receive a guaranteed price as there has not been one determined for sugar given the complexities of the global sugar market and associated quota systems discussed in this chapter. This situation is, however, under review by the FLO and FTOs.<sup>96</sup> Instead, KCGL receives a price from Illovo determined by the DOP calculation (see section 4.5.3). In 2007 KCGL received an average price of \$280 per metric tonne for its 10,000 metric tonnes of made sugar. KCGL receives a social premium of \$60.00 per metric tonne for made sugar that is sold to Fairtrade markets. These funds are paid directly to a bank account controlled by the KCGL Fairtrade Premium Committee (FPC). In 2007 approximately one half of KCGL's made sugar was sold through Fairtrade channels. The group also receives some extra mile support in the form of information and training. More will be discussed regarding the social premium receipts and extra mile support in Chapters Six and Seven.

The fourth mechanism of fair trade, the FLO standards for small-scale producer organisations, contains elements to which KCGL and other groups are audited for

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<sup>95</sup> This was a term often used by the fair trade reference group.

<sup>96</sup> As discussed with my fair trade reference group.

compliance. The standards are composed of several requirements under three headings (excluding the environmental requirement section). First, social development requirements include commitments to instil democratic structures, a transparent administration, opportunities for all members to participate, and no discrimination. Second, socioeconomic development refers to the use of the Fairtrade Social Premium (FSP). The FSP is a payment made to the producer organisation for each unit of Fairtrade produce sold. The funds are intended for investment in the sustainable development of the organisation and the surrounding community. Third, labour conditions lay out requirements regarding working conditions and employment policy. With reference to International Labour Organisation (ILO) conventions, the requirements include freedom from discrimination, freedom of association and collective bargaining, and consideration of safe and healthy working conditions.

Through these mechanisms certain desired empowerment outcomes are expected. The experienced impacts of fair trade within the contextual environment outlined in this chapter and the principal factors affecting levels of impact are evidenced in Chapters Six and Seven. For the purpose of discussion, in this chapter it is important to highlight the dominance of the market form of governance in instigating Fairtrade certification of KCGL. It is apparent that market conventions were drivers in response to changes in ACP arrangements discussed in this chapter.

#### **4.6 Conclusions**

By incorporating analytical elements of a PAPN framework this chapter has identified a wide range of multi-scalar factors that have formed particular embedded dependencies and forms of governance that can be observed in both contemporary Malawian society and the networks of global sugar trade and production. The range of economic, social, and political factors described and analysed in this chapter have created a variety of asymmetries and imbalances. The situations described leave a majority of the Malawian population unable to positively affect their lives, and small-scale sugar producers at the mercy of decision-making and production processes of others, into which they have very little input.

To summarise, the principal factors forming the multi-scalar institutional environment in which small-scale producers in Malawi are embedded are as follows in Table 4.4.

Although the various factors have been discussed and presented under the headings of the three embeddedness dimensions, it is important to point out, as Hess (2004) states, that they are not mutually exclusive. Instead they interconnect as one complex web of factors that represent the contexts of embeddedness for different sets of Malawi's population.

<u>Societal Embeddedness</u>	Geographical constraints Neopatrimonial society – inequalities and hierarchies Postcolonial elites and excluded majority Limited market culture Limited support for small-scale agriculture producers Constrained population – health and education barriers Economic dependencies on aid and agriculture Postcolonial estate and customary land use governance Decentralisation and local elite governance
<u>Network Embeddedness</u>	Historical legacies of sugar cane production Uneven competition between sugar beet and cane production Highly politicised global regulatory environment Potentially harmful withdrawal of preferential markets Developing global civil society ACP voice
<u>Territorial Embeddedness</u>	Dominance of large-scale processors and marketers Importance of sugar to national economic strategies Emergence of outgrower schemes and debt issues Global and local governance inequalities People-centred fair trade intervention

**Table: 4.4 Summary of an embedded postcolonial country and commodity**

In Malawi, the context in which small-scale sugar cane producers are embedded (Table 4.4) clearly represents an example of dependencies on others to access and receive incomes from global sugar markets and exclusions of many from associated decision-making processes. Furthermore, due to both historical and cultural reasons, in the socio-political environment in the local place (Chikwawa) there are instances of formal and informal institutional intersections resulting in a hierarchical and unequal society where a relative few are in positions of power with capacities to act economically, politically, and socially more than the majority. To empower those associated with small-scale agricultural production in a context that contains such dependencies, governance inequalities, and hierarchies represents a significant challenge. In the case of the members and community of KCGL, the uneven global

and local playing fields in which they are embedded have been deepened by the debt burdens resulting from the scheme's international funding.

The sugar sector is a classic example demonstrating that as transactions move across borders and increase in scale to the international level, for those with limited power and little means of production, the challenges become greater and many more inhibiting factors emerge that restrict low income producers' ability to add value to their produce. What is specific, however, is the particular complexity of the governance of sugar at the international level.

However, as identified in this chapter, there is optimism for a positive future in the global sugar market for Malawi's economy, and this represents a significant justification for finding ways to intervene to support those in the sector. In particular, there are efforts to find ways to harness such potential globalisation gains toward the benefits of some of the lowest income earners in Malawian society. As argued, fair trade aims to work towards achieving such outcomes with its people-centred approach that incorporates efforts to empower others.

The next chapter explains how this research assessed the impact of fair trade (as defined in sections 4.5.4 and 4.5.5) by drawing on the PAPN framework developed in Chapter Three and incorporating analysis of context outlined in this chapter. This demonstrates recognition and cognition that the producer community partnered in fair trade is embedded in uneven and unequal multi-scalar institutional environment and its members are faced with many constraints and inhibitors. Therefore, fair trade comes into contact and potential conflict with these existing embedded contexts. As the thesis progresses, it is argued that greater cognition of some of the contextually specific factors identified in this chapter should help the fair trade approach in mitigating some of the critiques and challenges presented at the end of Chapter Two.

Chapters Six and Seven explore issues related to the embedded social and political factors that influence unevenness and inequalities in the context of the specific case study of this research. Before that the presentation of the impact assessment framework for this research continues in Chapter Five, which also introduces the methods employed to obtain empirical data for contextual analysis.

## Chapter 5

### Researching fair trade empowerment using mixed methods

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#### 5.1 Introduction

This research examines impacts as lived experiences of a fair trade approach that aims to empower members of a low income producer community. In this chapter I present how the empirical research was organised, conducted, and analysed with reference to a PAPN impact assessment framework introduced in the previous chapter. In that process I review relevant field research methods employed and reflect upon issues of positionality, representations, and challenges of field research.

The first section discusses the case study selection, including issues of gaining access to the study area and mapping the communities of the case study. That is followed by a presentation of the research design, beginning with an explanation of the impact assessment approach constructed, and discussing the contributions of learning and sustainable livelihoods approaches. I then present fair trade and empowerment definitions used in this research to construct expected outcomes as empowerment indicators.

The second section presents an argument for a mixed methods interpretative approach to research lived experiences. Referring to grounded theory, I argue that combining qualitative material and quantitative data serves to enhance the credibility of grounded interpretative research. I also argue that including a postcolonial lens in this process serves to uncover a more complex geography as the place or context in which lived

experiences are embedded. That is followed by a third section discussing selection of samples and methods.

Incorporating postcolonial critiques discussed in Chapter Two, the fourth section explores challenges and shortcomings related to intersubjective interpretations and representations. This includes a discussion of how a researcher can reflect upon positionality and power in knowledge to acknowledge intersubjective concerns.

The fifth section presents details of how the empirical material was generated and who participated, including reference to sampling strategies, mixed methods, research assistance, and fieldwork challenges. The final section explains how that material was analysed, written, and disseminated to a range of audiences, reflecting on issues of representation and the collaborative nature of this research.

## **5.2 Case Study and Research Design**

As presented in Chapter One, my studentship emanated from collaboration between Newcastle University and Traidcraft. In the process of securing funding, a case study to focus upon the impact of fair trade (through FLO certification) on a sugar cane outgrower scheme in Malawi was identified (Kasinthula Cane Growers Limited, KCGL) for the following reasons. Fair trade research prior to this tended to concentrate on a few sectors such as coffee and bananas from Latin America, cases where producers of those commodities have been engaged in long-term trading networks with the global north (examples include Bacon, 2004; Eberhart, 2005; Lyon, 2007; Moberg, 2005; Murray et al., 2003; Ronchi, 2002; Shreck, 2005). Selecting sugar as a neglected category in fair trade research, and Malawi as an under-researched economy, empirical material from this case study would contribute towards those gaps in knowledge for fair trade practitioners and social science researchers. Furthermore there was an expectation that this new knowledge would also present critiques and challenges to fair trade since its expansion into new areas and new partnerships with non-FTOs through the Fairtrade system.



Traidcraft's relationship with the KCGL scheme emerged from a DFID funded Traidcraft project, Training for Enterprise and Exports in Malawi (TEEM).<sup>97</sup> As part of that project Traidcraft assisted in establishing links with Illovo and with KCGL to obtain Fairtrade certification. For some years subsequent to this Traidcraft purchased Fairtrade certified sugar from KCGL. However, as the market for Fairtrade sugar expanded, other companies entered the market to purchase the majority of KCGL Fairtrade sugar. Traidcraft have maintained links with KCGL and visit the scheme approximately every two years to monitor progress. However, another FTO, Twin Trading, now purchase large volumes of KCGL sugar and therefore invest more in producer support initiatives with members of the scheme. There is thus no direct trade relationship between KCGL and Traidcraft. Traidcraft's interest is in learning more about fair trade impact in different contexts, and in this case with a scheme that they helped support in its infancy.

This research, therefore, did not focus on Traidcraft's trade relations with KCGL and the local context, but rather the impact of fair trade more broadly on KCGL, facilitated by background information and contacts provided by personnel of Traidcraft. This included quarterly meetings with my supervisor from Traidcraft to discuss practical aspects of the case study, fieldwork, and fair trade. In addition I had access to other Traidcraft personnel with whom I also explored contextual details and ideas of areas to focus upon in research. However, the final decisions on specific research focus and design were made by me, as discussed through this chapter.

Expanding upon an introduction to KCGL at the end of Chapter Four, below I present further details of the study area. This includes reference to identifying key informants, issues of gaining access, visiting the field, and mapping communities to research.

### **5.2.1 Accessing the field**

Initial background information for my fieldwork was provided by personnel of Traidcraft who also introduced me to Kadale consultants in Blantyre as a contact point and in-country support. Established contacts provided background knowledge of fair

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<sup>97</sup> For further details see:

[http://www.traidcraft.co.uk/international\\_development/overseas\\_programmes/completed\\_projects/south\\_hern\\_africa](http://www.traidcraft.co.uk/international_development/overseas_programmes/completed_projects/south_hern_africa)

trade in Malawi in addition to an extensive knowledge of the Malawian development and agricultural sectors. Furthermore, I was granted assistance with administrative requirements for my fieldwork and opportunities to establish further local trade and development contacts to obtain more knowledge regarding the sugar industry in Malawi. This facilitation of access and knowledge represented one of many positive contributions of the studentship collaboration. As I discuss in Chapter Eight, that collaboration culminated in generating knowledge towards the advancement of policy and practice for personnel at Traidcraft who assisted me through my studentship.

Before departing to Malawi I had an opportunity to meet the General Manager of KCGL in the UK. At that meeting I was able to introduce my research project and obtain commitment to facilitate the necessary arrangements to gain access to other personnel at KCGL and the Chikwawa district once in the field. That support facilitated introductions to Illovo and the Traditional Authority (TA) leader of Chikwawa. With the TA I introduced myself and the project to obtain agreement to conduct the research I wanted to within his district, taking the importance of local hierarchies into account.

Initial contact points represented both the key informants through whom I obtained access to further potential participants and the elite nodes in the Chikwawa and sugar producing districts.<sup>98</sup> From a postcolonial methodology perspective, such local elites represent what Spivak (1999) terms ‘native informants’, who are traditionally the people external agents come into contact with. Previously those external agents would have been colonial governors; in this contemporary context they are fair trade representatives and other development ‘experts’. The local elite then become the voice of their community to external audiences. For my research it was important to gain access to those not regarded as local elite to enable more people in the Kasinthula producer community to have their perspectives heard as informants in my research. I return to this subject in section 5.6 where I discuss and reflect in more detail upon the process of conducting fieldwork and who participated. Next, I explain the construction of my research design with reference to visiting and mapping the field to be researched.

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<sup>98</sup> I discuss the issue of embedded elite local governance in Chapter Four.

### **5.2.2 Visiting the field**

I spent seven weeks in Malawi in September and October 2007, during which time I established key contacts, conducted preliminary fieldwork (including pilot interviews), and identified key themes for further exploration later in the fieldwork process. This visit was followed by a period of four months in the UK. During this period I was able to rethink my approach and focus before conducting further fieldwork. I returned to Malawi in March 2008 for four months to conduct the substantial elements of my fieldwork.

Carrying out the fieldwork over two visits proved to be very beneficial, as was also experienced by other researchers (Punch, 2001). It was beneficial both for my personal experience and the quality of the material obtained. After arriving in Malawi for the first time with limited knowledge I was able to obtain an in-depth perspective on the case study and identify some research themes. I was then able to reflect upon those themes and re-work some aspects of the research focus and approach before returning to complete the process. In that way I was able to obtain significant input from research participants in both the UK and Malawi before, during, and after the fieldwork process.

### **5.2.3 Mapping the field**

In the previous chapter the KCGL scheme was introduced. This section presents further details of the scheme, the variety of actors associated with KCGL, and the local production network. This includes reference to networks beyond the local level and an introduction of some governance relationships.

The land area under cultivation by KCGL totals 700 hectares.<sup>99</sup> A plot of between 2.5 and 3 hectares was allocated to individuals who became the sugar farmers when the scheme started in 1996. The land was converted in two phases. In phase I, 103 people received title to a plot of land, and in phase II a further 179 became sugar plotters in the scheme. Each phase has a committee representing members' interests and there are a number of sub-committees in the organisation. Of the total 282 plotters, 59

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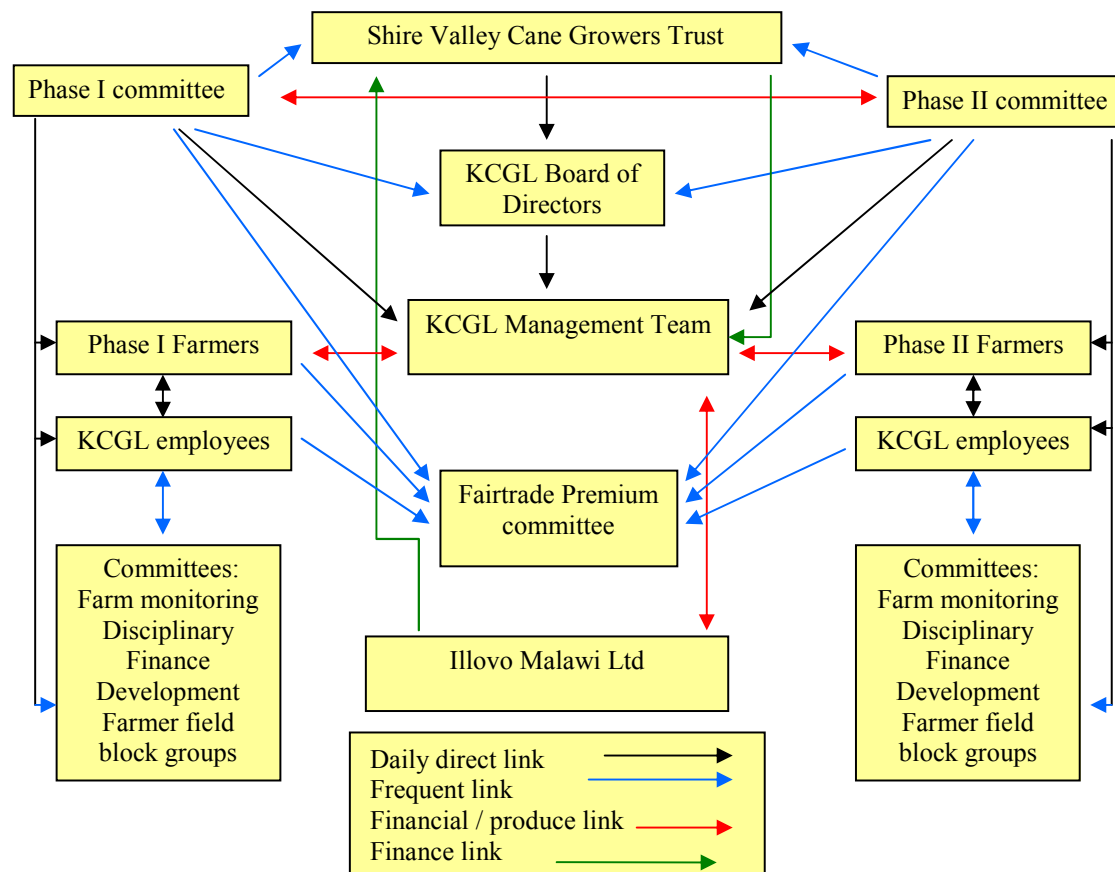
<sup>99</sup> In contrast to the 12,000 hectares of the Illovo Nchalo plantation. However, as part of the accompanying measures funds from the new EU sugar regime and Illovo's reliance on outgrower volume, an expansion of KCGL has been proposed to increase the total area of land under cultivation from 700 to 1,200 hectares.

are female. Technically, as KCGL does not have shareholders, it is a ‘not for profit’ organisation with any profit generated to be paid to the ploholders (farmers), essentially making the farmers shareholders as they have title to a plot of cane land. In addition to the 282 farmers, KCGL employs a management team, administrative staff, and approximately 550 either permanent or seasonal hired labour to work in the fields (Figures 5.1 and 5.2).<sup>100</sup>

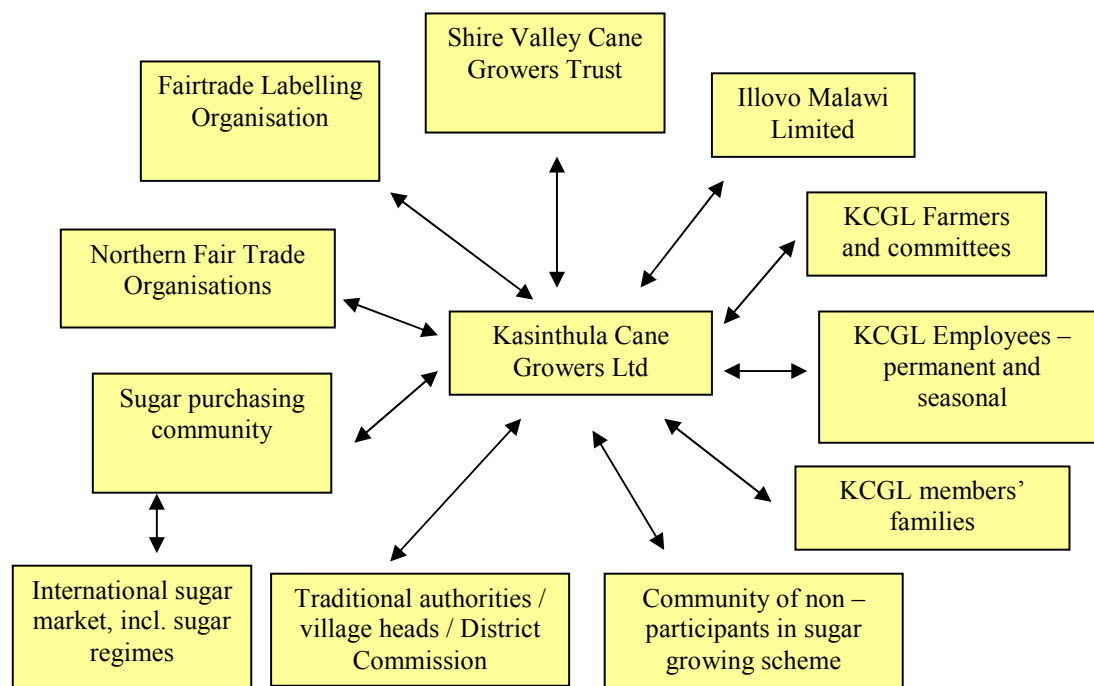
The figures below identify the principal members of the KCGL sugar production network and participants in the scheme. The process of identifying and mapping these figures began with discussing the KCGL scheme with the KCGL management team and referring to documents that detail the scheme and who is involved. I clarified some elements with Illovo, Traidcraft, and a locally based sugar industry consultant. I clarified my interpretations of relationships and definitions of both the sugar production community and wider community with KCGL research participants through interview processes discussed later in this chapter.

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<sup>100</sup> In 2007 there were approximately 300 permanent and 260 seasonal employees (Namata, B. pers comm. 27<sup>th</sup> September 2007).



**Figure 5.1 KCGL Scheme Production Community**



**Figure 5.2 Local and Global Communities of Interest**

Figure 5.1 highlights the principal participants in the KCGL scheme as those directly involved in the production (growing and milling) of sugar cane and their relationships. Each phase of the scheme has a committee which reports to the SVCGT and KCGL boards. They also have daily and frequent participation and contact with farmers, employees, and sub-committees such as the Fairtrade Premium Committee (FPC). Figure 5.2 highlights some of those relationships and those external to the immediate locale of the production community such as the international sugar market and the FLO in Germany. This represents what I call the wider communities of interest. Both the production community and the wider communities are referred to throughout the empirical chapter discussions.

Illovo, as the purchaser of the contracted sugar cane, has direct relations with the KCGL management team regarding issues such as daily delivery schedules and cane quality. As the only buyer and owner of processing capital to whom KCGL can sell, Illovo represents the sugar cane market for KCGL. As part of that relationship, Illovo provide some support for KCGL in the form of technical assistance, maintenance, marketing, inputs purchasing power, and the Fairtrade certification process.

Having identified the principal members and participants in the KCGL scheme, representatives from each of the boxes identified in Figures 5.1 and 5.2 who were located in the local study area of the Chikwawa district were included in the research process. The details of that process are presented in section 5.4. Before that I discuss the construction of my impact assessment framework as part of the field research design.

#### **5.2.4 PAPN impact assessment approach and indicators**

To construct a PAPN impact assessment approach this research draws upon frameworks adopted in previous impact assessment research. In Chapter Four (section 4.2) I outlined, with reference to Barrientos and Smith (2006), Hulme (2000), and Mayoux (2001), the following technical elements of an impact assessment: introduction of the study area, a model of the impact networks, an identification of research participants, and specification of the types of impact to be assessed, including methods of data collection. In addition I incorporate reflection on postcolonial and post-Marxist geographies to recognise the influence of social and

political contexts and associated forms of uneven and unequal governance and institutional environments.

In Chapter Four the contexts of the impact study area of Malawi and Chikwawa and the global and local production networks of sugar cane were explored. The previous section of this chapter presented a model of the local production network as the impact network. The empowerment impact indicators to be assessed and the methods employed to gather empirical material are explored in the remaining sections of this chapter. This includes reference to the process of defining indicators based on expected outcomes from fair trade relations in this case and themes emerging from pilot interviews, consistent with a grounded theory approach. Having outlined the technical elements of the impact assessment framework to be covered, the next section discusses the ideas and principles that underpin a learning approach to impact assessment that is grounded in the qualitative material obtained.

### **5.2.5 A learning approach**

In advocating a learning approach to impact assessment, Barrientos and Smith (2006) draw upon the work of Roche (1999). Proposing an approach to impact assessment in low income countries, Roche (1999: 21) defines impact as ‘the systematic analysis of the lasting or significant changes – positive or negative, intended or not – in people’s lives brought about by a given action or series of actions’. The emphasis on ‘intended or not’ suggests an open approach to not only prove impacts from a programme but also to focus upon lessons to be learnt from positive and negative unintended impacts. Barrientos and Smith (2006) suggest that this enables an ‘improving impact’ approach to learn lessons, accept complexity of a specific context, and place less emphasis upon attributing success to one party or another.

Part of the learning or improving impact approach is an emphasis upon participation, a central element of people-centred development language (Chapter Two). Mayoux (2001) identifies that an assessment of impact of fair trade should involve a participatory process in order to incorporate the views of those most disadvantaged in agro-commodity chains. Such a process should enable a more detailed analysis of a particular development programme to ‘understand why particular impacts are occurring and draw practical conclusions’ (Mayoux, 2001: 11).

Barrientos and Smith (2006) suggest that a lot of impact assessment work focuses on audit processes to prove compliance to codes or a series of rules that must be followed. However, if one is going to look at deeper contextual issues of empowerment (as this research does) then it is necessary to conduct a more flexible and inclusive approach. That way the perspectives of those not normally captured in audit processes (such as subalterns) can be included with an expectation that will capture more nuanced material to learn lessons from.

Hulme (2000) also discusses distinctions between proving and improving approaches, distinguishing between scientific and humanities approaches to impact assessment. A scientific approach utilises quantitative methods to ‘prove’ impact whereas humanities approaches tend to use qualitative methods to interpret and acquire a deeper understanding of processes and why changes have occurred with a view to ‘improving’ impact. I expand the discussion of qualitative and quantitative methods in section 5.3.

To assess impact in this research I adopt an ‘improving impact’ approach with the aim of tracking changes in processes, livelihoods, and understanding of fair trade rather than attempting to directly attribute success since Fairtrade certification. To facilitate that process it is useful to reflect upon the sustainable livelihoods approach due to the wide promotion of this approach in recent years as a tool for assessing the livelihoods of producers in low income places considered to be restricted by poverty constraints.

#### **5.2.6 Utilities and shortcomings of a sustainable livelihoods approach**

According to the FLO (2009a), one of the most important principles of fair trade is to focus upon capacity building and empowerment. A focus on livelihoods is, therefore, important in this research as affecting livelihoods is central to the technical elements of the Fairtrade empowerment approach (for instance by paying higher prices for produce). Fair trade advocates also argue that the range of skills and capabilities available to individuals and groups impact upon their abilities to empower themselves economically, politically, or socially. To affect skills and capabilities, fair trade includes investment in education and training.



In people-centred development research and practice, one tool used to frame an assessment of impacts in and among low income communities is the Sustainable Livelihoods Framework (SLF). The development of this framework was partly inspired by the work of Nussbaum and Sen (1993) and their capability approach, discussed in Chapter Two. According to Chambers and Conway (1992) and DFID (1999), a livelihood comprises the capabilities, assets, and activities required for a means of living. Employment of the SLF can highlight impacts on individuals, groups, and communities. For fair trade research this framework permits an analysis of the impact of fair trade on development and poverty reduction through an analysis of the enhancement of the capabilities of the intended beneficiaries.

The livelihood approach also explores how people make a living and how they make it meaningful. In the context of this research the SLF can be employed, as Bacon (2004: 506) advocates, to provide a theoretical space for including ‘farmer perceptions and narratives, and an entry point for beginning to understand the subjective feelings of well-being and empowerment’. This is achieved by looking at livelihood strategies and how people use activities such as subsistence production, kinship, and mobilisation to make a living. Bird and Snedker (2002: 6) also advocate the use of sustainable livelihoods analysis to gain an understanding of impact on human agency, and Paul (2005: 139) emphasises the utility of qualitative methods ‘to better capture the perceptions of the stakeholders’ to understand the processes and conditions affecting livelihoods.

At the core of the SLF is the asset pentagon that incorporates five assets of human, social, political, financial, and natural capital. This model measurement of the five capitals provides a representation of the existing capabilities and capacities of individuals or a community. The elements of each capital are presented in Table 5.1.

Capitals	Elements
Human	Skills, knowledges, and abilities to work of individuals
Social	Relationships of trust, reciprocity, and exchange
Financial	Financial resources to achieve livelihood objectives
Political	Basic infrastructure available to support livelihoods
Natural	Natural resource stocks available to use

**Table 5.1 SLF Capitals**

Source: DFID (1999)

For this research the capitals elements of the SLF have been borrowed to facilitate questionnaire and interview schedule development as technical tools, as is explained in section 5.6. This follows the approach of researchers summarised in the work of Paul (2005) who structured fair trade impact reports in relation to the five capital aspects.

Focussing on livelihoods, therefore, is one element to researching empowerment. The SLF is particularly useful for a focus on the household level to understand livelihood changes. However, in terms of utility as an analytical framework, the SLF has shortcomings related to a lack of focus upon contextual factors of uneven local power relations, the influence of formal and informal institutions, and legacies of colonial and postcolonial regimes of practice. Such critiques related to a lack of focus on the context in which groups are situated in society are discussed by Albu (2009) and du Toit (2007). Inclusion of such contextualisation offers a more nuanced analysis of livelihoods embedded in a postcolonial place.

To increase the analytical focus upon issues of political economy and governance in producer community relations, this thesis draws upon insights from institutional analysis and postcolonial critique to develop a PAPN framework as presented in Chapter Three. Extending the GPN model with these insights can provide a deeper account of the complexities and specificities of a particular place. Also, combining approaches that examine both global production network aspects with livelihood analyses offers a robust way to understanding the opportunities and constraints which small-scale producers face and to monitor local impacts of changes in global networks (Bird and Snedker, 2002; Hussein, 2002; Kanji et al., 2005; and Ponte, 2008) that the SLF alone cannot facilitate. By expanding a livelihoods research framework to include a focus on factors that shape multi-scalar institutional environments in which empowerment is expected to take place provides a social and political context in which livelihoods are embedded. The contextual global and local institutional environments are explored in Chapter Four.

### **5.2.7 Defining fair trade and empowerment**

Primary empirical material was obtained from the perspectives of those embedded in the postcolonial contexts outlined in Chapter Four. An understanding of both expected

outcomes and unintended consequences of fair trade was guided by themes generated from such material. The approach to collecting that material is discussed later in this chapter. First, I define what is meant by fair trade empowerment from secondary data to generate indicators that framed empirical material collection.

Despite common use of the term in fair trade literature and marketing there has been little attempt to define empowerment; often it is used unchallenged without clarification (for instance by Bacon, 2005; Lyon, 2007; Murray et al., 2003; Shreck, 2005). Sometimes it is referred to as a process resulting from payment of Fairtrade prices and provision of market information (Dolan, 2008; Raynolds, 2002), which can be defined as ‘power to’ empowerment processes. Others, for instance Mayoux (2001), introduce social and political empowerment at the levels of both individual producers and organisations. For this research empowerment needs to be defined more deeply to facilitate analysis of various empowerment experiences and constraints for a range of producers embedded in different contexts.

From academic literature contested definitions of empowerment are discussed in Chapter Two. As a starting point of definition Kelsall and Mercer (2003: 293) define empowerment as a process ‘by which the poor and disenfranchised come to be critically aware of their socio-political and economic situation within their local, national, or international context’. Moving definition beyond awareness towards control and influence, and therefore to define empowerment for the purposes of this research, it is necessary to refer to a number of sources. In section 2.7.3 the language of empowerment was discussed, introducing the contributions of Rowlands (1997) and Luttrell et al. (2007). Combining the empowerment strategies listed in Table 2.1, the four dimensions of empowerment of Luttrell et al. (2007), the concepts of ‘power over, with, and to’ of Rowlands (1997)<sup>101</sup>, and four of the SLF ‘capitals’, measures of success for empowerment, are defined in Table 5.2.

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<sup>101</sup> These concepts have been furthered by others including Johnson and Mayoux (1998) and Veneklasen and Miller (2002).

Capital	Desired empowerment outcomes
Human	Enhance ‘power to’ achieve a better livelihood with improved individual or collective skills and capabilities
Economic	Enhance ‘power to’ achieve a better livelihood with improved access to financial and physical assets and resources
Political	Enhance ‘power over’ toward a better livelihood with improved ability to influence and control (govern) livelihood decisions
Social	Enhance ‘power with’ access to improved processes of participation, co-operation, trust, and reciprocity

**Table 5.2 Measures of empowerment**

The measures of success in Table 5.2 also follow the aims of fair trade discussed in Chapter Four. To assess the extent to which these empowerment successes are being experienced by those in the KCGL scheme, and what factors appear to be enabling or inhibiting empowerment, it is necessary to develop some indicators to frame such an assessment.

### **5.2.8 Expected empowerment outcomes and indicators**

From fair trade relations through Fairtrade certification it is expected that there will be transformations in capacities, capabilities, and processes that represent a degree of empowerment of those considered less empowered in trade and community relations and operations. Desired outcomes as success indicators are summarised in Table 5.3 with reference to fair trade rules and approach discussed in Chapter Four. I clarified some of these in consultation with members of my fair trade reference group that included Traidcraft personnel.

Capital type	Expected empowerment outcomes
Social and political	<ul style="list-style-type: none"> <li>▪ Increased participation in decision-making by small-scale producers (farmers and employees)</li> <li>▪ Increased equality and democracy in producer communities</li> <li>▪ Wealth distributions affected to favour those with low incomes</li> <li>▪ Levels of influence affected by increasing voice, inclusion, and representation of those traditionally excluded and discriminated against</li> <li>▪ Increased transparency in transactions and processes</li> </ul>
Economic and human	<ul style="list-style-type: none"> <li>▪ Increased incomes of small-scale producers</li> <li>▪ Improved working conditions for small-scale producers</li> <li>▪ Increased product and market knowledge of small-scale producers</li> <li>▪ Increased access to credit and assets for small-scale producers</li> <li>▪ Increased access to training for small-scale producers</li> <li>▪ Increased control over livelihoods by small-scale producers</li> <li>▪ Increased social welfare of a small-scale producer community</li> <li>▪ Improved access to opportunities and diversification</li> </ul>

**Table 5.3 Expected empowerment outcomes**

Given the complex and embedded contexts into which fair trade enters, it is not expected that all of the outcomes listed in Table 5.3 will always be achieved. However, limiting unintended consequences from applying some fair trade principles is a minimum expectation. Referring to Tables 5.2 and 5.3, fair trade principles, and Fairtrade rules, Table 5.4 presents empowerment indicators to frame this enquiry.<sup>102</sup>

<sup>102</sup> Similar indicators have been used by others in fair trade studies; see for instance Bacon (2004), Bird and Snedker (2002), Eberhart (2005), Jaffey (2006), Mayoux (2001), Mendez (2002), Murray et al. (2003), Ronchi (2002), Tallontire (2000), Taylor (2002), and Utting (2009).

Fair trade strategy	Empowerment indicators
Improve livelihoods of small-scale producers and their families	Increased incomes; more economic assets; social premium receipts; production improvements; more funds for health and education needs
Improve the working conditions for all small-scale producers	Evidence of collective bargaining opportunities; less discrimination; better wages and equipment provisions; improved representation processes
Create opportunities for small-scale producers	Increased access to capital; options for diversification of livelihood; development of a fair trade network; more control over individual and collective livelihood
Contribute to local community development projects	Evidence of social premium spend; number of development projects; local dissemination of fair trade; more links to the local community of interest
Promote equality in the local production community	Understand the decision-making processes in place; evidence of transparency, democratic processes, fairer participation and inclusivity, representation
Build capacities of small-scale producers and their organisation	Evidence of training and information received, increased understanding of the KCGL business, the sugar market, fair trade, GAP (Good Agricultural Practice)

**Table 5.4 Fair trade empowerment indicator**

These fair trade empowerment indicators defined by secondary data obtained from fair trade literature and my fair trade reference group represent categories to shape a grounded theory enquiry. They provide a framework to construct questions to ask members of KCGL about their lived experiences of fair trade. The remainder of this chapter focuses upon the elements and construction of a mixed methods interpretative approach in order to obtain primary material from which emergent themes will determine the analytical focus of this thesis.

### **5.3 A mixed methods interpretative approach**

Conventionally, two methodological strands inform a research approach and associated methods. First, quantitative research is guided by conventions of the natural sciences to measure and analyse relationships between variables to establish cause. In contrast, qualitative research, guided by interpretative epistemologies, seeks to find meanings from interpreted reconstructions of social reality (Bryman, 2008; Denzin and Lincoln, 2008). My research is guided by an interpretative approach, but uses mixed methods to enhance credibility and levels of understanding from obtaining a broader and deeper collection of empirical material. In support, Sen (1999) argues that processes such as participation need to be understood in addition to an interest in

measuring outcome variables such as incomes. This is because non-income variables such as social relations point to levels of opportunity and constraint for empowerment.

### **5.3.1 Combining qualitative and quantitative methods**

Mixing methods can mean combining quantitative and qualitative methods for data collection and analysis and combining more than one type of qualitative method. In this discussion I refer to both.

Presenting arguments for mixing methods, Bryman (2006, 2008) and Mason (2006) identify justifications for such an approach. First, by selecting from a 'palette of methods' (Mason, 2006: 13) that could include qualitative semi-structured interviews and quantitative social surveys, a researcher can explore both deeper contextual understandings and broader relationships. Arguably this approach provides a more complete, comprehensive account. There is increasing recognition in recent poverty and development research of the utility of mixing methods approaches in this way (Bryman, 2008; Byrne, 2002; Hulme, 2007; Kanbur and Shafer, 2007; Utting, 2009; White, 2002). Such advocates argue better understandings can be achieved by using quantitative methods and data to establish general trends and qualitative methods and material to probe deeper into social and political worlds and present participant perspectives. These arguments inspired my decision to draw from both methodological strands.

Responding to criticisms that unstructured qualitative material is anecdotal and lacks credibility (highlighted by Bryman, 2008), undertaking some quantification of data can present a pattern of the extent of a phenomenon which can then be explained further using qualitative probing. In support, Hulme (2007) and White (2002: 513) argue how this serves to increase confidence in the reliability of the dataset as 'using the approaches together yields more than the sum of the two approaches used independently'.

Combining quantitative and qualitative elements, Bryman (2008) argues, is part of a process of triangulating or cross-checking that provides a more comprehensive account that increases the credibility of analysed material. This follows a similar argument for mixed methods stressed by Baxter and Eyles (1997: 514) as the process

of ‘triangulation is one of the most powerful techniques for strengthening credibility’ as when ‘multiple sources provide similar findings [the] credibility [of analysis] is considerably strengthened’. Building on these arguments I decided to incorporate some quantitative elements into my interpretative qualitative methodology.

### **5.3.2 Interpretative qualitative methodology**

An interpretative approach emerged from critiques of traditional positivist approaches. A positivist (quantitative) account, as already identified, is based on methods of the natural sciences to objectively identify facts and universal features of society to prove or disprove a hypothesis (Crotty, 1998). In contrast, an interpretative approach seeks to interpret phenomena in their contextual settings to ‘understand and explain human and social reality’ (Crotty, 1998: 67). Instead of using positivist language of validity and objectivity, interpretivist approaches use terms such as credibility and confirmability (Denzin and Lincoln, 2008).

An expansion of the arguments for an interpretative approach to overcome perceived shortcomings of positivist accounts is provided by Ritchie and Lewis (2003) and Robson (2002). In line with a central argument of this thesis to bring the social into the foreground of analysis, the lived experiences of others can only be understood as an interpreted understanding of the social world of others. Qualitative methods provide more space to capture social experiences and interpretations than the more rigid approaches of the positivist tradition (Mason, 2006).

Eyles and Smith (1988: 2) provide a summary definition of an interpretative geographical approach as a concern with ‘understanding and analysis of meanings in specific contexts’ to uncover ‘the nature of the social world through an understanding of how people act in and give meaning to their own lives’. Empirical material with which to construct such an understanding is most commonly obtained using qualitative research methods. However, as already argued, this understanding can be enhanced with the use of some quantitative elements.

The key elements of qualitative research are designed then to provide an understanding of the nature of human experiences by locating an observer in the social world of others to interpret phenomena and representations in a specific setting.



As qualitative research has developed, a number of 'schools' have emerged, including ethnography, phenomenology, and grounded theory (Ritchie and Lewis, 2003:22).

Within this strand of human geography that draws upon ethnographic methodologies and phenomenological perspectives of lived experiences, 'emphasis is placed on developing 'grounded theories' from careful local studies characterised by participant observation and an understanding of the lifeworlds of the researched' (Limb and Dwyer, 2001: 4). With reference to aspects associated with grounded theory, the next section explains how the approach to obtaining empirical material for this thesis was based upon identifying emergent categories and themes from the data (Ritchie and Lewis, 2003), using defined indicators to frame enquiry.

### **5.3.3 Grounded theory**

Discussing the applicability of grounded theory to an interpretative approach to social research, Draper (2004:644) explains how 'most approaches [to analysis and interpretation] follow the broad basic precepts of grounded theory, in that a bottom-up' approach is taken in identifying the themes within the data'. Grounded theory emerged from the work of Glaser and Strauss (1967). In their approach they advocate 'the discovery of theory from data systematically obtained from social research' (1967:2). As Charmaz (2006) and Draper (2004) discuss, a grounded theory approach develops theories from research grounded in empirical material which is in contrast to approaches that seek to test hypotheses deduced from pre-existing theories. Similar to other interpretivist approaches, grounded theory is inductive since it categorises evidence as it emerges and develops theories to explain observations and phenomena from the analysis of patterns and associations that are grounded in empirical material (Bryman, 2008; Draper, 2004; Flick, 2009; and Saunders et al., 2003).

Developing ideas and theories using a grounded analysis of the lived experiences of others should make the presentation of interpretations from the research more accessible to a wider audience. This resonates with one important aspect for Glaser and Strauss in a grounded theory approach; a grounded theoretical discussion 'must be readily understandable by laymen concerned with [an] area' (1967: 237). This is an important justification for my research, employing some of the guidelines of grounded theory to generate understandable and meaningful contributions for both academic

and practitioner partners interested in the consequences of people-centred approaches on the lives of others.

In explaining how grounded theory offers systematic and flexible strategies for qualitative researchers, Bryman (2008), Charmaz (2006), and Flick (2009) reflect upon the key steps and components of grounded theory. The essential processes, tools, and outcomes of a grounded theory approach that have been applied in my research include the following: first, the identification of a problem and a gap in the field to be researched; second, a flexible approach towards a research design for collecting and analysing material; third, material collected and theories constructed from an application of methods and tools of theoretical sampling and saturation; and fourth, construction of theoretical codes and categories from material to generate themes from which to develop an understanding of grounded realities and underlying processes. Each of these elements are discussed through this chapter. To conclude this section I discuss the contribution of a postcolonial lens to a grounded interpretation of lived experiences.

#### **5.3.4 Postcolonial contribution**

The place in which this research was conducted is defined as postcolonial, recognising continued legacies that shape the lives of those embedded in a postcolonial context. Discussing a postcolonial methodology, Raghuram and Madge (2006) suggest that it is a complex process with a need to recognise specificities. As argued at the end of Chapter Three, a PAPN analysis generates an examination of the experience of fair trade grounded in a particular context by making a complex geography more visible. The increased visibility of that geography helps to facilitate the generation of themes to provide an understanding of grounded realities, underlying processes, and lived experiences of research participants. Referring to challenges facing fair trade presented in Chapter Two, a critical postcolonial reflection contributes towards a more grounded interpretation in the following ways.

First, by providing a space to critique imaginations of communities (Mohan, 2001) and destabilise those constructions (Mercer et al., 2003), a postcolonial lens can un-mask and account for complexities of social and political relations in a place in which low income small-scale producers are embedded. Second, using a postcolonial lens

methodologically necessitates giving voice to both those normally consulted and those generally ignored to incorporate silenced voices to improve understanding of the positions from which people speak and obtain deeper knowledge of livelihoods, needs, and priorities of others. In my case, voice is given as presentation of perspectives of participants, including those not normally consulted, from which important themes are interpreted. This helps to counter a critique of participatory approaches that sideline factors such as intimidation that still prevent voices from being heard (McEwan, 2008). Third, incorporation of a postcolonial reflection raises issues of representations of others and reflexivity in research.

## **5.4 Selecting samples and methods**

Applying a postcolonial lens to un-mask imagined or constructed categories of producer and community and the relations embedded within them reveals multiple actors involved in the Kasinthula scheme, the cane production process, the Chikwawa district, and in trade relations beyond the local scale. Avoiding assumptions of others reveals the fact that these actors have various degrees of financial, social, and political control and influence. In that context some have greater degrees of financial and political voice than others. Highlighting potential research participants, this section explains the sampling strategies adopted and selection of mixed methods to obtain credible evidence.

### **5.4.1 Research Credibility**

The empirical focus of this research is at the local level with cognition of relevant factors at other scales of analysis. So far in this and the previous chapter I have introduced the study area, the local production network, communities of interest (Figures 5.1 and 5.2), and defined fair trade empowerment indicators. The final technical elements of the impact assessment process are to identify research participants and methods of data collection.

As stated earlier, I employed a mixed methods approach to this research. Building an argument that this approach enhances credibility of evidence and levels of understanding, Baxter and Eyles (1997) define credibility as the connection between lived experiences and concepts recreated through interpretation. To enhance credibility ‘researchers focus on respondent selection procedure, interview practices,

and strategies for analysis' (Baxter and Eyles, 1997: 513). These elements are explored through this chapter.

#### **5.4.2 Sampling research participants**

In the vein of a grounded approach to data collection and analysis, Narin et al. (2005: 222) argue that 'the goal of research is to generate meaning from data'. Therefore, the quality of material collected is crucial if the research is to be credible and of a high standard. Referring to the earlier discussion of triangulation, source triangulation requires the presentation of quotations from several different participants to cross-check themes and arguments from evidence (Baxter and Eyles, 1997). Recognising constraints of time and financial resources, it is important to use a good cross section of participants and multiple sources to increase the epistemological utility of the material.

Research participant selection procedures in a grounded theory approach begin as a common sense process of talking to informants most likely to provide early information (Draper, 2004). Therefore, selection is likely to be based on established contacts and from networks of those contacts to identify participants. From identified populations a sample frame of research participants can be selected. The sample frame is an up-to-date full list of potential participants from which samples are taken.

In qualitative research the sample sizes are usually relatively small. Ritchie and Lewis (2003) identify three reasons for this. First, there will be a saturation point where no new evidence is obtained, and, therefore, a point of diminishing returns is reached where increasing sample size will not generate new evidence. Second, in qualitative research there is no requirement to ensure statistical validity; instead the selection is subjective to the researchers' objectives such as eliciting perceptions, experiences, and attitudes of participants. Third, qualitative studies yield rich material and, therefore, it is necessary to keep sample sizes smaller to do the process justice. In support, Saunders et al. (2003) suggest that the smaller number of cases generated from a sampling process versus a census provides more time to design, pilot, and collect more in-depth material.

There are a number of options regarding sampling techniques; the following represent the options I adopted. First, in a simple random process, discussed by Bryman (2008), I ensured each unit of the sample frame had an equal probability of inclusion in the final sample. Second, before randomising, I stratified the sample frame by categories such as age or gender to make sure that some participants from each unit of analysis identified in the sample frame had representation in the random sample. In support, Roche (1999) advocates the use of stratified random sampling for this reason of overcoming potential issues of exclusion or discrimination. Finally, to select particularly informative cases I took a purposive sample. In this method participants are sampled ‘in a strategic way so that those sampled are relevant to the research questions being posed’ (Bryman, 2008: 415).

The final point to be discussed regarding sampling relates to the question of when to stop. Referring to ideas within grounded theory, Glaser and Strauss (1967) suggest a criterion of theoretical sampling. Material is gathered until a point of theoretical saturation is reached, a point where the researcher has heard a range of stories and nothing new is being learnt (Crang and Cook, 2007), related to the point of diminishing returns above. With no statistical procedure for sampling, the ‘final sample size is always a matter of judgement’ (Saunders et al., 2003: 155). As a general rule of thumb, Ritchie and Lewis (2003) suggest a maximum sample size of fifty, but ultimately the final sample size will be determined by the theoretical saturation point. To begin my sampling procedure of KCGL I referred to Figures 5.1 and 5.2 to identify the range of sites from where I could find research participants. Table 5.5 identifies potential participants from the KCGL scheme and the Chikwawa district.

Producer community groups	Participants
KCGL	KCGL management team KCGL Phase 1 and 2 committee members KCGL Fairtrade committee members KCGL farm managers KCGL farmers – male and female KCGL employees – identified permanent and seasonal Workers committee members
SVCGT and KCGL board	Members of Illovo and KCGL
Illovo	Illovo Nchalo management team Illovo national management team
TA governors	TA chief Village headmen / women
Local government members	District Commissioner District Executive Committee
Local villages	Non-Kasinthula villagers

**Table 5.5 Potential participants**

Focussing on non-management members of KCGL first, to organise a list of potential participants I requested lists of both farmers and employees. The HR manager of KCGL was able to provide Excel spreadsheet lists of farmers and permanent employees.<sup>103</sup> To ensure that I secured representation from as wide a range of groups from within KCGL as possible, I stratified the lists by phase (I and II, Figure 5.1), gender, and job description for the employees. By stratifying the sample frame I provided space to hear perspectives from representatives of all groups in the Kasinthula production community in subsequent interview processes. This was an important process for this research that is attentive to the different contexts in which different participants are embedded and the fact that in different circumstances people will experience fair trade in multiple ways.

To randomly sample participants from that stratified sample field I used a computer-based randomiser program to generate a random sample.<sup>104</sup> To begin the sampling process I assigned a number to each farmer and employee as a sequential four digit number. From the generated random lists I started with the first name and worked down the list sequentially to select potential participants.<sup>105</sup> As I only had a short space of time to conduct these interviews I needed to be flexible in who I was able to

<sup>103</sup> The issue of accessing seasonal employees will be covered in section 5.6.2.

<sup>104</sup> Online randomiser at <http://www.random.org/lists/>

<sup>105</sup> Lists of all people interviewed over the course of both field visits can be found in Appendix B.

interview. Therefore the first samples were based on convenience, selected on the criterion of who could be available at relatively short notice. I discussed my lists of potential participants with the management team at KCGL who were able to contact the selected individuals. If a first choice was not available then we went for the next name on the random list. The first sample I created was purposely small to conduct pilot interviews that I discuss in section 5.6.

### **5.4.3 Selecting mixed methods**

After selecting and sampling participants, there are a range of methods (or tools) available to collect qualitative research material. Principally the methods are based upon some form of interview or discussion with either individuals or groups of participants. Such methods have been used in postcolonial research, critical development geography, and fair trade impact studies (for instance see Bacon, 2004; Dolan, 2008; McEwan and Bek, 2009; Paul, 2005; Utting, 2009). Generally the objective is to capture non-monetary impacts (Paul, 2005) by asking what, how, and why questions rather than how much or how many. However, as already stated in this chapter, as part of my mixed methods approach I argue there is a case that some quantitative elements can complement qualitative material collection. I return to this point again later in the chapter.

In discussing qualitative research methods, Bryman (2008) and Ritchie and Lewis (2003) note the flexibility of qualitative methods and highlight three major types of method. First, biographical methods capture life stories or narratives of the lived experiences of participants. Second, individual interviews capture personal perspectives. Third, focus group discussions (FGDs) capture multiple, intersubjective accounts from a group on a particular issue or phenomenon.

As part of a triangulation process to enhance research credibility, I decided to use interviews and FGDs. In a mixed method approach, group discussions may be conducted before or after one-to-one interviews. There is no right or wrong approach; it depends upon the circumstances of the research process. However, Kanbur (2005) argues for one-to-one interviews first to elicit key themes and issues and then follow up in purposive group discussions to expand on those identified themes and issues. As is presented in subsequent sections, I adopted this approach. With time and resource

constraints I decided not to also conduct biographical methods as I wanted to obtain perspectives from as many participants as possible and I was satisfied that I obtained sufficient evidence of lived experiences through interviews and group discussions.

Before I discuss the theory and my application of the principal methods employed, the next section introduces research challenges related to interpretations and representations. This aids a reflection on issues of positionality and intersubjectivity that will be incorporated into the discussion of each method used.

## **5.5 Into the field – intersubjective interpretations and representations**

One contributing aspect of using a postcolonial lens as discussed earlier is to raise issues of representations of others and reflexivity in research. According to Baxter and Eyles (1997: 506) ‘interpretative geography is in the reality construction business, attempting to develop representations and constructions to describe the representations and constructions that take place within the social world’. Starting from this definition, this section explores challenges and shortcomings associated with representing lives and perspectives of others through interpretation and how a researcher can acknowledge these limitations. For instance, a number of scholars have noted the contributions of a postcolonial reflection in deconstructing representations (Spivak, 1988), highlighting the problems of speaking for others (McEwan, 2008), and acknowledging power relations in representations and research, including inequalities between the researcher and the researched (Kindon et al., 2007; Mohan, 1999; Mercer et al., 2003; and Raghuram and Madge, 2006). A useful concept through which to explore these issues is intersubjectivity.

### **5.5.1 Intersubjective accounts**

Acknowledging critiques of positivism that reality can only be subjectively defined as interpreted social action, Kindon et al. (2007) note a cultural turn in social science research, starting in the late 1980s and early 1990s. Writing at that time, Haraway (1988) raises an academic concern with coming to terms with objectivity and needing to situate knowledges to acknowledge subjective partial perspectives. More recently Denzin and Lincoln (2008) and McEwan (2008) are among those who discuss research and associated representations as ‘loaded’, because they are situated



activities imbued with situational constraints. In that research process the interpretations of the researcher are guided by a particular set of beliefs and views of the world.

Regarding subjectivity, no participant can truly be objective; each has a knowledge that is partial and situated. As the research process involves participation, relationships, and conversations between people of various cultures, engagement between participants generates intersubjective accounts where perspectives of the researcher and the researched are heard alongside one another (Baxter and Eyles, 1997). Those accounts produce divergent, intersubjective truths or multiple versions of truths of an event or phenomena (Crang and Cook, 2007; Pain, 2001) that reflect the different partial and situated knowledges.

Considering that no researcher can be entirely objective, there is a need to reflect on the cultural politics of speaking and writing on behalf of others with imperfect knowledges (McEwan, 2008). One aspect of reflection is to consider one's positionality.

### **5.5.2 Disciplined subjectivity**

The importance of recognising the positionality of a social science researcher entering the social world of others has gained increasing prominence in the social science research field. For instance, as Moser (2008) notes, there needs to be acknowledgement that researchers all have different positionalities. Baxter and Eyles (1997: 514) use the term 'disciplined subjectivity' as 'being mindful of one's own ethnocentricity and biases' as a positioned subject. Positioning oneself in relation to a particular set of beliefs and views of the world is the key to grounding knowledge in a specific intersubjective context (Haraway, 1988).

From whatever background, all researchers face the challenge of dealing with bias in research. Certain biases are formed from upbringing, cultural surroundings, geographical location, and experiences. Raghuram and Madge (2006) argue that it is necessary therefore to acknowledge this bias and be open to recognising positions of other research participants. Therefore, to enhance credibility in research the researcher needs to be sensitive to other cultures and agendas that some participants may have.

For this reason, in my research it was particularly important to be aware of local needs and priorities and try to avoid attaching any prejudice in conducting interviews and analysing the responses received.

The positionality of a researcher refers to factors such as age, gender, ethnicity, class, or education level, (Rose, 1997; Moser, 2008) that situates both the knowledges of a researcher and shapes a particular set of relations with research participants. It is acknowledged that a researcher can do little to alter his or her positionality but should be aware of it to avoid potential pitfalls (Skelton, 2001). Of relevance to my research, this point is emphasised by Rose (1997) who notes that a critical geographer should acknowledge partial knowledges to foreground issues of knowledge produced in specific circumstances. Therefore, to recognise imperfect knowledge is to acknowledge how ‘power and knowledge are inextricably connected’ (Rose, 1997: 318).

It was important, therefore, that I acknowledged my position as a visitor to Malawi with a particular positionality as a white, male, university educated researcher, and also recognise the relative positions of those with whom I was engaging (Skelton, 2001). Whilst it is impossible to ignore the influence of different positionalities, I attempted as much as possible to counter differences between positionalities in my approach that gave no privilege to one participant or group over another. Furthermore, I was respectful of the various commitments of participants and made sure that my research schedule fit around their commitments so as not to place undue demands on others.

### **5.5.3 Working with triple subjectivity**

Expanding on this issue of subjectivity, with reference to Spivak (1988) and Townsend et al. (1995), translation is part of the process of (re)constructing representations of others. The research process is imbued with issues of (unequal) power relations and intersubjective factors and cross-cultural translation from one context to another. When social research works with interpreters, such as mine, the potential for biases or misunderstandings increases (Fontana and Frey, 2008).

There is some literature that discusses difficulties associated with working with interpreters in research (Edwards, 1998; Temple and Edwards, 2002; Temple and Young, 2004). However, as these authors note, while there is an established tradition in research methods texts regarding positionality and bias issues, the literature on working with interpreters is light. I discuss this topic now as a contribution to that gap and recognition of the importance of this to my research.

In international development research, researchers often rely on translators, especially when there is a wish to hear perspectives of the most silenced in society (Edwards, 1998). Joining the researcher and participants, interpreters represent a further filter of knowledge, guided by their positionalities. The research process then becomes subject to 'triple subjectivity' (Temple and Edwards, 2002: 6).

Recognising the role of interpreters and a researcher's dependence upon them, Edwards (1998: 206) puts forward 'a reflexive model of working with interpreters that does not conceal the politics of the research process'. She argues that by stressing 'working with' rather than 'using' interpreters, they become more visible as active participants, not just passive devices to translate. In such instances it becomes important to acknowledge how their participation affects the nature of the material collected by reflecting on the issue of triple subjectivity. I adopted the approach of working with interpreters (referred to from now on as research assistants) and recognised a need to confront issues of power in the material collection process as I discuss in section 5.6.

#### **5.5.4 Confronting power in knowledge generation**

As noted above, one of the contributions of a postcolonial reflection is to focus on power relations between the researcher and the researched and inevitable inequalities (Mercer et al., 2003; Power, 2003), especially when participants represent a diverse range of demographic groups. In this situation, echoing a postcolonial critique regarding continuing colonial legacies, Kindon et al. (2007) highlight the danger of re-enforcing pre-existing power hierarchies by only presenting elite local knowledge. Furthermore, there is a potential that some participants may feel they are the 'subjects' as the question and answer format of interviewing may reproduce relations of authority (Narin et al., 2005).

Herod (1999) explores cross-cultural or intersubjective challenges related to who are the outsider and insider in knowledge creation. He suggests researchers have varying degrees of outsidership. Reflecting on this, issues of power, and the context of a postcolonial place, I entered the field with a knowledge and expectation that I would be considered somewhat of an expert visiting Malawi. This expectation stemmed from discussions with other postgraduate development researchers and an employee of Traidcraft who warned me that given my position, farmers would tell me what they think I wanted to hear and what they wanted me to hear. Such a potential lack of openness and honesty could impact upon the credibility of material.

To counter such concerns it was necessary to establish some ground rules to enhance trust and openness in interviewing. This was helped by explaining as clearly as possible the purpose of the research<sup>106</sup> and clarifying consent to participate through the fact that participants were willing to be interviewed (Fontana and Frey, 2008). In my experience there were some positive reactions to my position as a visitor. Many people I met were pleased I was there with such an interest in the country and issues concerning many Malawians. I was easily able to access the people and places I wanted to in order to conduct my research. However, it was important also to reflect on the impact of all positionalities involved in interviews, an issue I discuss through the following methods sections.

## **5.6 Data collection**

As outlined earlier in the chapter, as part of a mixed methods triangulation process, to add credibility to my data collection I decided to use interviews and FGDs. I discuss each of these in turn, including group discussions in village contexts.

### **5.6.1 Pilot interviews and questionnaire design**

Before conducting a larger number of interviews there is an option of conducting pilot interviews in qualitative research to check all questions and topics are understood (Krueger and Casey, 2009). For overseas fieldwork, and in cases where the interviewer has no experience of a country or culture (as was the case in my research), Sampson (2004: 399) identifies a substantial benefit of conducting pilot interviews in discovering that ‘pilots are invaluable as introductions to unknown worlds’. After

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<sup>106</sup> Refer to Appendix C for an example of how we introduced the project and each interview session.

conducting a small number of interviews it is then possible to return, reflect, revise, and rewrite or add questions based on the responses received and unexpected issues uncovered. In this process richness can be added to the material obtained once a deeper understanding of agendas, themes, and contextual nuances are gained.

Before organising pilot interviews I constructed a draft, semi-structured questionnaire. Bryman (2008) discusses two types of qualitative interview; unstructured and semi-structured. In an unstructured interview the researcher may start with just one question and thereafter the interview is dictated by the subsequent conversation. Semi-structured interviews start with a longer list of questions as an interview schedule. Depending on a particular circumstance, the interview may not strictly follow that schedule; questions can be moved forwards or backwards, and there is the opportunity to probe and explore key issues that the interviewer may not have previously considered. The epistemological utility of semi-structured interviews is summarised by Roche (1999: 108) in stating that ‘simply talking, and listening, to people is probably the most common and useful way of assessing impact’. Semi-structured interviews also allow the possibility of drawing out sensitive information on relations with others, impacts, and responses to shocks such as flooding or drought that may affect livelihoods.

In my research, consistent with both grounded theory and providing space for subaltern perspectives, my semi-structured questionnaire included open-ended questions that enabled participants to provide spontaneous, substantial feedback to such questioning. The quality of the feedback received was heightened by re-confirming understanding of any questions that were unclear. The semi-structured interview format also proved useful as a level of consistency when at times interviews were conducted by more than one person, as I explain below.

To begin construction of a questionnaire, referring to Table 5.4, I listed a series of questions under each section aimed at eliciting experiences, understandings, and expectations of fair trade. Consistent with a grounded theory approach, I maintained a format of open-ended questions to permit respondents to answer in their own terms (Bryman, 2008; Flick, 2009). My hope was that this would help capture un-anticipated themes from lived experiences of participants.

As part of that process I recruited a research assistant to conduct interviews at KCGL in Chichewa (the participants' first language). In order to provide space for voices to be heard through a conversational interview process it was necessary to seek some research assistance as neither I nor the majority of potential research participants shared sufficient common language to conduct such an interview. Also, interviewers sharing the same nationality as the participants receive greater authority due to the greater familiarity (Edwards, 1998).

I first recruited a graduate of the University of Malawi in Zomba, Monica Mmanga, who had experience of working for consultants on international development research projects and, therefore, possessed valuable skills and knowledge of interviewing people in low income districts of Malawi. As a graduate with this experience she possessed a position of authority which in practice was respected throughout our engagements with research participants. Associated effective interpersonal and communication skills helped to garner positive relations and aided in collecting richer material. Being able to afford to employ research assistants was a further positive contribution of the funding secured for my studentship and additional funding provided by Traidcraft.

As noted above, caution should be applied when working with assistants in the interview process as misunderstandings or misinterpretations may arise. To help overcome such concerns I inducted Monica into the research by explaining the background, aims, and nuanced aspects of my project. As part of this best practice proposed by Edwards (1998) we also agreed on the confidential nature of the interviews, our respective roles, and parameters for our work such as rates of pay and other conditions including travel and accommodation costs.<sup>107</sup>

To conduct interviews in private we were provided with access to a spare room to the side of KCGLs main office block. Over a course of three days at Kasinthula we interviewed six farmers and nine employees (including two seasonal employees) as our sample for pilot interviews with each interview lasting up to one hour. These numbers were selected based on combined issues of time constraints, capturing

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<sup>107</sup> An example of an agreement that specified such details can be found in Appendix H. I drafted the document based upon local advice and the request of assistants.

perspectives of each category of Kasinthula producer, and limiting numbers to permit analysis of pilots before taking the time of too many people.

In preparation for interviews we agreed to make the hour as informal as possible by encouraging participants to talk freely and feel comfortable. We conducted all of the pilot interviews together so that we could both get first-hand experience of how the interviews and pilot questionnaire were being received. Monica asked questions in Chichewa and translated summaries of the responses to me as the interview progressed. She made participants feel comfortable and we both answered their questions as fully as possible. The interviews were carried out using a triangular seating arrangement following best practice for such situations (Edwards, 1998).

At the end of each interview we consulted to make some amendments in light of our experience and drew upon Monica's experience of conducting village based research. We amended some questions in light of first pilots, re-ordered them to make the flow of the interview better, and removed some that we thought may be raising expectations of direct action resulting from the interviews.

There were two lessons that I took from this initial interview experience that I reflected upon when similar instances arose in later interviewing. First, on a number of occasions participants viewed me as someone positioned to facilitate immediate change, with links to more donor aid funding, and who could liaise in local socio-political disputes by taking messages from one party to another. This follows dilemmas of cross-cultural research highlighted by Edwards (1998), Herod (1999), and Skelton (2001) that outsidersness and whiteness affect ways in which participants view and respond to you as a researcher.

In response to such messages, I re-iterated the purpose, and therefore the limitations, of what I could promise in my position. To do that I re-focussed discussions onto contributions to a wider fair trade knowledge base and stated that it was not my purpose to directly facilitate material benefits or further funding or support.<sup>108</sup> However, with a postcolonial influence in my methodology to present subaltern

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<sup>108</sup> This dilemma is also discussed by Punch (2001).

perspectives, I did emphasise that voices of all participants will be represented in my research dissemination. That dissemination is with the knowledge that I am representing the perspectives of others and including my interpretations.

A second lesson we took from the pilots related to interview location, one aspect related to ethics in research highlighted by the ESRC (2010). In their experience, Hale and Opondo (2005) decided sometimes to interview workers at locations away from farms to offer the right to privacy and help in avoiding undue harm and breaches of confidentiality (ESRC, 2010; Flick, 2009; Fontana and Frey, 2008). After conducting pilot interviews we offered to interview some farmers and employees in their villages rather than just at the KCGL offices. This was in part to make arrangements more convenient for participants who less frequently visited the office block compared to others. It was also to offer neutral locations when appropriate to ensure participants were comfortable and confident in the situation. This issue arose on a few occasions with seasonal employees and members of the Fairtrade Premium Committee as I discuss later in this chapter and in Chapter Six.

By conducting the pilot interviews I allowed those being interviewed to participate in the research and questionnaire design by using what they said to determine the focus of the research and remaining material collection. After completing the pilot interviews we reviewed all of the responses collected to look for interesting issues and themes emerging to guide the design of interview schedules and questionnaires for interviewing larger numbers of participants.

This review led to a redesign of my questionnaire. To test the new questionnaire format and my interpretations of the first set of pilot interviews I decided to conduct a second set of pilots.<sup>109</sup> I employed Monica again for a day to conduct the pilots as she was familiar now with the subject and the case study. We selected the next few names from my sample lists, interviewing three farmers and three employees. After six interviews we agreed that this was a sufficient number to have tested the revised questionnaire, confirmed the principal messages and themes emerging, and provided enough feedback to make final amendments.

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<sup>109</sup> An example of the second pilot questionnaire can be found in Appendix C.



When finalising the design of the questionnaire for interviewing a larger population I sought further advice from associates at Kadale, based on their extensive knowledge and experience of conduction field research in rural Malawi. This represented a further contribution of the collaboration which Traidcraft facilitated. After consultation, and as part of my argument for a mixed methods approach, I decided that the most effective format would contain both quantitative and qualitative structured questions.

I decided to add more structure to my questionnaire because with potentially more than one hundred interviews it would be very difficult to analyse a large amount of anecdotal comments. Bryman (2008) discusses this problem of open-ended questioning that can generate a wide variety of responses that become difficult to analyse, but can be ‘useful for generating fixed-choice format answers’ (2008: 232). Reflecting on this, I decided it would be easier and more effective to analyse as much of the material as possible by using categories defined by responses to pilot interview questions, therefore, not neglecting the openness of qualitative research in the process of defining grounded themes.

To facilitate that process I developed a questionnaire that contained some questions with ‘tick-box’ options that were determined by the responses from the completed two sets of pilots. I analysed those responses for themes, keywords, and our interpretations that had emerged and categorised them into options for the new questionnaires.<sup>110</sup> I, therefore, let the participant material from the pilot interviews drive the final questionnaire design and the potential answer options. I was confident that this approach of using responses to determine the answer options would not prompt the participants into giving non-spontaneous responses.

Furthermore, this approach maintains the core attributes of qualitative research such as retaining the possibility of capturing nuanced views with open-ended sections throughout the questionnaire. At the same time this approach provided material analysed using both qualitative and quantitative tools to improve credibility and quality. I used SPSS software to collate structured responses to generate descriptive

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<sup>110</sup> An example of the final questionnaire can be found in Appendix D.

statistics such as frequencies and Microsoft Word to analyse all other unstructured responses collected. Having completed the process of pilot interviewing and questionnaire design, attention turned to conducting a larger number of one-to-one interviews.

### **5.6.2 One-to-one interviews**

At all times during my fieldwork every effort was made to limit the inconvenience of those who agreed to be interviewed, consistent with ethical issues introduced above. The majority of farmers did not spend all day in the fields so interview slots were arranged at times when they would be at the KCGL office block in-between other daily activities they had. All employees were interviewed during their field work hours so as to not use any of their non-KCGL time. All participants were contacted through the regular contact systems in place at KCGL. The farm managers were consulted so that they knew which employees might be away from the fields at certain times of a day, and assured us that the time employees spent away from the fields would not be deducted from their salaries.

Before conducting an interview, assurance was given to all participants regarding confidentiality. We also double-checked that each participant was happy to give consent to be interviewed. To facilitate that confidence we gave a friendly introduction to establish personal details and stated the format and purpose of the interview to help build trust and to enhance the quality of interviews. In that process we explained how the information would be used and asked participants to voice any concerns they had. When asked we explained the broader benefits of the research and how we were not providing any direct financial benefit as part of the interview process.<sup>111</sup> By taking this approach of not paying participants, but instead conveying the importance of the research, it was consistent with a people-centred approach to empower participants with the opportunity to give their opinions and perspectives. As a result of our approach no participant had an issue regarding confidentiality or participation.

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<sup>111</sup> As a token of appreciation for a participant's time we provided each person with a soft drink during interview.

From discussions with established in-country support I received advice to draw up a research schedule that would make sure I further understood what I was asking, who I was targeting, and to what expected ends. To do this I mapped out the following: main research questions; approaches and objectives; research targets; reasons for selecting those targets; methods of collection; and finally, what I hoped to obtain from the research. I created a number of Excel spreadsheets to plan the research and to produce a timetable of what I wanted to do and when. That timetable was flexible to be adapted depending on what could be done and when. I also continued to add to a research diary of my plans and completed tasks as my research progressed. Maintaining a research diary was also useful to capture initial reflections, experiences, and themes that may otherwise have been lost (Bryman, 2008; Flick, 2009). Referring to Glaser and Strauss (1967), such filed notes contributed to grounded theory building.

In the redesign of my research approach, the sampling frame, and the questionnaires, I reflected upon the people-centred objectives of fair trade. I aimed to incorporate empowerment strategies of fair trade such as inclusion, participation, giving voice to the marginalised, and promoting transparency in my research process (see section 4.5.5). This approach mirrors that discussed by Paul (2005: 141) who states ‘participatory techniques seem wholly appropriate to the philosophy of fair trade, given that it is founded on the principles of partnership and strengthening of local capacities’.

Having established the contact and working relationship with Monica, I met with other graduates of the University of Malawi who had also conducted fieldwork for a number of development projects. Initially I employed two male research assistants, Bright Makanjira and Felix Makwinja with whom we agreed the same terms as with Monica. Over time we mutually agreed any adjustments in accordance with our experiences and changes of plans.

I spent a morning with Bright and Felix to provide them with a comprehensive background to my project and the work that Monica and I had completed. Although she was not available to work for an extended period of time on my project, Monica did assist in handing over to the others by way of sharing her knowledge and

experience from our pilot interview work. She remained available to contact should there have been any need to re-check points.

As I mentioned in section 5.6.1, one reason for deciding upon a slightly more structured questionnaire format was to ensure as much consistency as possible in interpretation of the questionnaire when using two or more research assistants to conduct the interviews. By using tick boxes and not leaving all questions open to potential misinterpretation I was confident that this would make the material gathered more robust and reflective of people's views.

In discussion with the research assistants we agreed not to give the answer options to the participants. Instead they were aware that these were the most likely answers we would receive and, therefore, that they should select one or more as appropriate when receiving responses to questions. In order to capture other possible answers these questions also had an all encompassing 'other' option that could be used. I instructed them to prompt if the answers were generic, for example a question such as:

Q: How often do you participate in .....

A: Always, sometimes, or never

We agreed that if there was no answer then this would be coded as no response. At the end of each day we met to discuss the interviews and review any aspects as appropriate, a process suggested by Edwards (1998).

Regarding sample sizes, I followed the rules of theoretical sampling of grounded theory by letting the collection of participant responses determine a saturation point. Based on my experiences with the pilot interviews I was confident that I would reach such a theoretical saturation point within the time and resources available for my research.

Over a period of two weeks we conducted the majority of interviews with sugar farmers and permanent employees. I had generated a wish list of those to interview that I gave to Kasinthula's HR Manager and the trust administrator who had agreed to assist us in co-ordinating people for interview. They used messaging services to send invitations to interview to the names we had given them. There were a few people who for various reasons were not available, so I selected the next name from my

randomly generated lists to use as replacements. Also, in some instances, participants were not able to come to the offices for interview. Referring to flexibility and ethical issues concerning location, we were able to re-arrange these interviews at more convenient times closer to where some participants lived.

At the beginning of each round of interviews Bright explained how the session would proceed and reminded people why they had been called for interview at Kasinthula's offices. As with the pilot interview process, the objective was to avoid taking up too much time of the participants. By having two assistants we were able to conduct more interviews per day, therefore minimising inconvenience placed on participants and our hosts at KCGL.

The interview format was one-to-one, and I did not participate in these interviews. I wanted to be present at the pilot interviews to help understand the key issues but decided it would be better to let each interviewer conduct the bulk of the interviews alone. Referring to issues of triple subjectivity and making assistants visible (Edwards, 1998), I decided the one-to-one format represented a fairer power balance in interviews and enhanced the authority of the assistant conducting the interview. I did join in some discussions when called upon if a particularly interesting aspect was being discussed in greater depth. Then the interviewers also acted as interpreters to facilitate such discussions. I also joined in the interviews on occasion to answer any questions that the interviewers felt unable to answer, or were specifically directed at me to answer.

Each interviewer found an appropriate interview location around the offices of KCGL that were confidential and comfortable environments for participants, again referring to ethical issues in social research. The images below give some idea of the interview format.



**Figure 5.3 Research assistant (left) interviewing a KCGL farmer in Chinangwa village.**  
Source: Author's photograph



**Figure 5.4 Research assistant (left) interviewing a farmer outside KCGL offices.**  
Source: Author's photograph

We were able to interview all farmers and permanent employees at the KCGL offices or closer to their homes. However, as I introduced earlier regarding privacy and confidentiality, in order to give an opportunity for seasonal employees to be heard in this research it was necessary to make alternative arrangements. We were conducting most of the interviews in April and May 2008, which was the start of the cane harvest period when most seasonal employees work six days per week. We were offered the

opportunity to organise interviews on their day off work but we decided that would not be fair given their workload and other commitments.

Therefore, we decided all interviews with seasonal employees should take place closer to where they lived if it was convenient for them to be interviewed. It was difficult to locate exactly where many seasonal employees lived in the villages around Kasinthula. However, we found that there was an accommodation camp close to the cane fields where a significant number of seasonal employees lived during the eight-month harvest period. These employees had travelled from other parts of the country to Chikwawa to work at Kasinthula away from their family homes.

We made arrangements to visit the camp one afternoon when most people had finished their work in the fields. Discussing approaches to engage all categories of worker, Barrientos and Smith (2006) advise it is preferable to request a list of employees, but that sometimes the only practical option is to select from those present on the day of a visit to a worksite. At the time of my fieldwork KCGL did not have a formal list of seasonal employees and so it was not possible to generate an electronic sample list as I had done for the permanent employees and farmers. Therefore, we organised some one-to-one interviews with whoever was available that first afternoon and willing to be interviewed.

After conducting eight one-to-one interviews the research assistants stated that it did not seem appropriate to continue as the seasonal employee participants had limited information of fair trade to draw upon in order to provide an answer to most of the questions in our questionnaire. They were also raising interesting issues and themes from open questions that had not been raised in other interviews. In negotiation with some of the employees we agreed to return the following afternoon to have a discussion with whoever would be available then for a group discussion. We, therefore, constructed a revised interview schedule<sup>112</sup> to elicit issues that the seasonal employees wanted to raise.

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<sup>112</sup> Example in Appendix E.



It was agreed that the invitation to the meeting would be open to any seasonal employee who wished to attend. Therefore, during the work hours of the following day employees who lived both at the camp and surrounding villages were invited to join. As there had been no previous visitor who had offered to talk to this group of employees about fair trade or anything related to the sugar scheme, they preferred to conduct the meeting at the camp. That was seen as a neutral space where they felt more able to talk in a comfortable environment versus any of the nearby villages where farmers also lived.

Given the circumstances of this situation, this was a particular point where I reflected upon the positionality of my role as an outsider visiting this producer community. It was clear that the seasonal employees felt excluded from the majority of processes connected to KCGL, including the visits of fair trade and other buyers. I was, therefore, keen to make sure that we gave them an opportunity to voice their opinions in as safe an environment as possible, hence the agreement to meet again at the employee camp.



**Figure 5.5 Research assistant (left) in discussion with seasonal employees**  
Source: Author's photograph

### **5.6.3 Focus group discussions (FGDs)**

I decided that we had reached a theoretical and thematic saturation point after conducting 47 one-to-one interviews with farmers and 55 with employees (including



the seasonal employee interviews) as no new themes were emerging and most participants were highlighting similar issues. Due to the circumstances noted above, we also conducted two group discussions with seasonal employees. On completing these interviews, and for reasons of triangulation discussed in section 5.4.3, I decided to invite some participants back for a more focussed discussion of insightful aspects that emerged from interviews.

FGDs can be used to explore intersubjective understandings (Crang and Cook, 2007) of particular issues or phenomena. Promoting conversation in a group setting where participants may probe or question each other can generate a different form of material to that generated by individual interviews (Bryman, 2008; Krueger and Casey, 2009). To facilitate that process as a research team we shared some findings and interpreted experiences from interviews to generate a less structured topic guide (Crang and Cook, 2007) to shape conversations. As Krueger and Casey (2009) argue, I found that using easier open questions first helped to start a conversation.<sup>113</sup> We then explored key issues raised in interviews to check that information made sense and to check for any conflicts or queries regarding the themes and conclusions we were making. Through this process we could triangulate responses.

To focus the discussion it is preferable to form groups and discussions based on the purpose of the study (Krueger and Casey, 2009). Therefore, I decided to take a purposive sample of participants from the lists of those already interviewed to invite back for a group discussion.<sup>114</sup> Based on their experiences from conducting the earlier interviews I asked the research assistants to think of participants who had raised some interesting points in interviews or who appeared to be more committed to the process.

Following good practice advice we restricted group size to a maximum of 10 (Bryman, 2008; Krueger and Casey, 2009) and maximum length of a discussion to 1.5 hours (Crang and Cook, 2007). The number of groups we selected was based on criteria of theoretical saturation and time and resource constraints (Bryman, 2008). Krueger and Casey (2009) suggest stopping after 3 or 4 groups to check if a saturation

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<sup>113</sup> An example of this schedule can be found in Appendix F.

<sup>114</sup> A technique also adopted by Bacon (2004) in his fair trade study.

point has been reached. In the end we conducted a total of six FGDs with farmers and permanent employees in addition to the two with seasonal employees.

As well as purposive sampling, Crang and Cook (2007) advise that it is also potentially beneficial to converse with already existing groups. One advantage of this, in addition to convenience, is to observe a group in its familiar setting. As I discuss later this was particularly useful and insightful when we met with existing committees at Kasinthula.

Regarding criteria for selecting purposely sampled groups, I stratified the sample lists by age, gender, and occupation for employees. Selecting people by such common characteristics increases comfort when people sense they are alike (Crang and Cook 2007; Krueger and Casey, 2009). It also meant we could elicit perspectives from groups of people with different backgrounds and circumstances.

The permanent employee groups were only stratified by age as they were all male. The age categories were based on separating participants into groups approximately under or over the age of 40 years. The reason for stratifying was to elicit views from those in elder and younger elements of society given the hierarchical nature and protocol in Malawian society. This provided each group with a more comfortable environment in which to express their views freely.

Ideally the setting for a discussion will be in a circular format that aids the use of recording equipment to capture points raised by all participants for later transcription (Bryman, 2008; Crang and Cook, 2007). Working with research assistants we agreed on such a format and who would lead each discussion. I was present at each discussion with two assistants. In Chichewa one assistant conducted the introductions, moderated, and used a digital recorder. The other took notes of the conversations in English and interrupted at relevant points to probe further. In selecting moderators for the discussions we incorporated criteria of gender and different strengths and skill sets of assistants (Edwards, 1998).

An explanation of the reason for the meeting was given at the start of each meeting, together with a description of the format and use of technology to check that everyone

was comfortable with that process. As in all such meetings cultural wishes were observed by offering the opportunity for prayer before a discussion commenced. I was present at all group discussions so that I could join as required depending on the flow of the conversation to either probe further or to answer any questions as fully as possible. As in previous interviews soft drinks were provided to all present.



**Figure 5.6 Two research assistants (right) leading a FGD with permanent employees**  
Source: Author's photograph



**Figure 5.7 Two research assistants (right) leading a FGD with permanent employees**  
Source: Author's photograph



**Figure 5.8 Two research assistants (left) leading a FGD with female farmers**

Source: Author's photograph

Referring to Figure 5.1, we also arranged meetings for group discussions with the two phase committees of KCGL, the Fairtrade committee, and the workers committee. The findings and interpretations from all of these interviews are the subject of analysis in Chapters Six and Seven. However, I now specify one finding of relevance to the methodology from our meeting with the Fairtrade Premium Committee.

#### Fairtrade Premium Committee (FPC)

As discussed earlier in Chapter Four, the standards of the FLO state that a democratically elected committee should be formed charged with the responsibility of deciding how Fairtrade Premium funds should be spent. In the case of KCGL, the committee of ten comprised both male and female farmers but with no employee representation. Following instructions from reports generated by annual audits of the FLO, that membership structure was amended during my fieldwork period to constitute eight farmer and two employee members.

In section 5.2.1 I introduced the term 'native informants' with reference to Spivak (1999). As part of my approach to give those normally silenced an opportunity to be heard in my research I approached the two employee members to ask if they would be willing to write about their experiences since being members of the FPC and to keep a diary during the period of my stay in Malawi. They consented to this proposal, and so I provided them with pens and paper to chart their experiences. A few days later they

approached me to return their transcripts charting their experiences since joining the committee.

As the FPC was an already existing group we were able to observe ways in which people positioned themselves and related to each other (Denzin and Lincoln, 2008). Following the FPC group discussion the two employees approached us in confidence to state that they did not feel they were able to say what they wanted to in that meeting and would prefer to be interviewed separately from the farmer members. This was another time when a postcolonial approach of giving the best opportunity for all to voice their views freely and comfortably was evidenced. Therefore, I agreed to arrange a meeting at a later date at a neutral location to minimise harm, increase comfort, and confidentiality (Fontana and Frey, 2008; Hale and Opondo, 2005). In the end only one employee was able to attend that meeting due to the personal circumstances of the other. The outputs from all meetings and diaries related to the FPC are discussed in detail in Chapter Six.



**Figure 5.9 Two research assistants (centre) leading a FGD with the Fairtrade committee.**  
Source: Author's photograph

#### **5.6.4 Collaborative village meetings**

Until now I have described the process of interviewing a reliable sample of what I have defined as the local production community and local community of interest (Figures 5.1 and 5.2) with the exception of those who live in Chikwawa who are neither part of the sugar scheme nor connected to TA leaderships. To include non-



KCGL participants I decided to organise village meetings to get a sense of community interaction and also interviewed some representatives from the Chikwawa District assembly and NGO community. The details of who I spoke to are listed in Appendix B. In this section I discuss the village meetings.

At this stage a second postgraduate researcher joined the process. Hazel Drummond was a masters student at Kings College London who had contacted me after learning of my PhD and case study with KCGL. After meeting when I returned to Malawi in 2008 I agreed to introduce Hazel to my project and key contacts to facilitate her dissertation focussing on gender aspects of overseas development projects.

As part of that process Hazel recruited two further research assistants who also worked with me during my sugar and tea fieldwork projects.<sup>115</sup> The two new assistants were both female, as Hazel only wanted to interview female farmers at KCGL. We agreed the same employment arrangements that I had agreed with the other assistants. Both Blessings Mtuwa and Grace Mumba then joined us and the two male assistants to conduct village based meetings

Hazel and I drafted a list of questions that covered aspects we both wanted to discuss in the villages.<sup>116</sup> We wanted to facilitate an open discussion and so did not ask too many questions. We hoped that would give people an opportunity to talk freely and express both positive and negative views regarding the sugar scheme and fair trade.

Acknowledging the influence of the neopatrimonial society in Chikwawa (discussed in Chapter Four) and gaining access through elites in society (Crang, 2002), we decided to meet with the local TA leader to explain what we were hoping to achieve with the village meetings and to get his approval to approach at least two village headmen to organise our meetings.

With our financial and time constraints we decided to organise meetings in two villages, chosen based on the following criteria. The first, Chinangwa, was selected because I had visited that village earlier during my stay and learnt that a large

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<sup>115</sup> I discuss my research in the Malawi tea sector in Chapter Seven.

<sup>116</sup> An example of this questionnaire can be found in Appendix G.

percentage of KCGL farmers lived there. As the village furthest from the main road it had also received the largest sum of Fairtrade Premium receipts to fund infrastructure development projects. The other village, Mikanzo, was located further from the cane fields and had only a small number of KCGL members residing there. It was also located close to an area set aside for a potential expansion of the sugar outgrower scheme. Both village headmen were farmers at KCGL.

In addition to the research team of myself, Hazel, and the four research assistants, a local community development worker whom I had met at the District Assembly offices in Chikwawa agreed to help facilitate the village meetings. As an outsider to the area, and recognising the value of collaborating with those with more knowledge of the local context (Krueger and Casey, 2009), January Mvula joined Hazel and me in visiting each of the village headmen at their houses to translate an explanation of the purpose of our proposed village meetings. Both headmen had no problems with our plans and agreed to facilitate a meeting.

With each headman we agreed a date for a meeting and an approximate meeting time of 2pm. I say approximate in recognition that each culture has a distinct sense of time and, therefore, allowing flexibility for participants to arrive when they were ready and continuing until they felt they had nothing further to add (Krueger and Casey, 2009). Using their own messaging services that are employed to organise all village meetings, messages were sent to village members inviting them to our village meeting at a location with which they were familiar for such occasions. We requested that if possible non-KCGL people were invited so as to access a wider population in the community. We explained that we requested that partly so as not to waste time of people at KCGL since we had already been interviewing farmers and employees.

At each of the two meetings January and one of the research assistants gave an introduction to the meeting in Chichewa, explaining why we were there and what we wanted to achieve. We explained that we were already talking to people at KCGL about fair trade and the sugar scheme and that we wanted to offer an opportunity to others living close by to state their views regarding the scheme and community development aspects. We also expressed the confidential nature of the discussions.

Following the introductions we explained that we wanted to separate those present by gender and age group as we had with the KCGL focus groups, recognising issues of intersubjectivity and matching age and gender where possible. Interestingly, in Chinangwa village men and women automatically sat separately when we came together to meet. We also asked if there were any KCGL members or employees present. On one occasion January politely asked some KCGL farmers and employees to leave, explaining the reasons why and with an apology for any time wasted. Through the course of an afternoon in each village we organised four group discussions, two female and two male, for a total of eight group discussions. The male group discussions were conducted by Bright and Felix, and the female discussions by Grace and Blessings.

Due to the large turnout in Chinangwa village we were unable to organise group discussions with all participants. Therefore, in order to present perspectives of as many as possible as part of a postcolonial approach to notions of empowerment, we organised an activity to discuss and map out recent developments in the village, including ideas of further needs. This is a common method used in participatory village-based approaches where the map is a representation of what people perceive to be the most significant physical and socio-cultural features within it (IFAD, 2009b). According to di Gessa (2008: 1), enabling people to draw maps from memory on the ground and on paper, is an approach ‘increasingly playing a role in the empowerment of people and communities’. Details were transferred to paper and copies were retained for future reference by January as a local development officer.





**Figure 5.10 Village meeting, Chinangwa village.** In the background a group of male villagers talking to male research assistants. To the right a group working on the village mapping exercise.

Source: Author's photograph



**Figure 5.11 Chinangwa village.** Two female research assistants (right) talking with female villagers.

Source: Author's photograph



**Figure 5.12 Mikanzo village.** In the foreground, two male research assistants talking with male villagers. In the background, right, two female research assistants talking with female villagers.

Source: Author's photograph

The findings and interpretations from all interviews and group discussions are referenced in Chapters Six and Seven. In those chapters I present the perspectives of all those I interviewed over the course of both visits. A complete list of interviews with dates can be found in Appendix B.

### **5.7 Post data collection**

After collecting empirical material, the next stage was to continue to make sense of it through analysis. Following a grounded theory approach, throughout my fieldwork I had started to analyse material and noted key themes that shaped both the research process and the development of theories to explain what was being observed and interpreted.

By collecting material using third parties there will inevitably be some data loss and possible misinterpretations. However, recognising limitations associated with cross-cultural research and triple subjectivity, as a research team we compensated for these through frequent discussion in the following ways. Once all interviews were complete it was important to collate the outputs generated soon after interviewing. To that end I worked with the research assistants to check all questionnaires to ensure that the material generated was clear to me before I took transcripts for further analysis.

Before each interview or group discussion we checked that the English language in the interview schedules could easily be translated into Chichewa. If not, we amended the schedules accordingly. After each group discussion both assistants translated and transcribed what was said by listening to the recorded discussions. Any material not captured in writing during the interview was incorporated into the final transcripts through this process. We also discussed what was being said to capture the mood, key points, and as much of the spoken content as possible. Furthermore, through our working relationships we discovered that some research assistants demonstrated greater ability and preference for both leading discussions and probing or taking notes and transcribing. Therefore for each interview I selected combinations of assistants based on this knowledge. That knowledge was gained through experience after reading some early transcripts that were less rich in data than others.

### **5.7.1 Representation and the writing process**

Discussing the task of presenting and disseminating the material collected, in deconstructing development discourse Munck (1999: 204) promotes an ‘engagement that does not presume to speak for others authoritatively’. In that spirit, and referencing earlier discussions regarding research in a postcolonial context and my positionality, it is important to acknowledge bias and an inability to completely represent others. The best one can expect to do, as Cook and Crang (1995) discuss, is to use a combination of emic (participant accounts) and etic (researcher accounts) given the impossibility of being one hundred percent emic. In these accounts, working with research assistants, it was also important to incorporate their interpretations and opinions as active participants (Edwards, 1998).

Discussing the outputs of qualitative research, Ritchie and Lewis (2003: 4) suggest the outputs should be ‘detailed and rounded understandings which are based on an interpretation of the perspectives of the participants in the social setting’. By emphasising interpretation, this recognises the influence of the researcher’s perspectives and that any presentation can only be an interpretation. In this thesis I claim to offer no more than that, but at the same time I strive to use direct quotes to present the perspectives of others that I and assistants interpreted based on knowledge of the embedded postcolonial context.

Following the guidelines of a reflexive, grounded, qualitative approach (Charmaz, 2006), I reviewed the collated materials for key themes and categories. Jackson (2001) suggests that by creating analytical codes a researcher can build an interpretation. Crang (2001: 215) sees this as a creative process, one ‘of fabricating plausible stories’. I found that by analysing in this way I was able to create some unique themes through which to tell a story. Having developed themes and theories from the material, following the advice of Charmaz (2006), I then drafted my literature review and constructed conceptual frameworks from that literature to link to the story emerging from the empirical material.

As a final point, in dissemination of my research both in written and oral formats, I attempted to use my position to foreground perspectives of participants and interpreted themes and observations. This demonstrates awareness as a researcher of being implicated in the construction of knowledge both in how I conduct and present my research (Bryman, 2008).

## **5.8 Conclusions**

Following presentation of the postcolonial context in which this research was embedded (Chapter Four), this chapter has outlined a grounded, mixed methods approach to assess fair trade and empowerment in context. I argue such an approach enhances the credibility of the empirical material gathered and themes and arguments generated that are detailed in Chapters Six and Seven. This approach also acknowledges a complex geography imbued with inequalities revealed through application of a PAPN framework, and the challenge to ensure perspectives from representatives of all identified constituent members of the Kasinthula scheme and Chikwawa are heard.

Through the processes of collecting, analysing, and interpreting empirical material in social science research it is important to acknowledge imperfections and bias in evidence as knowledge generated. By reflecting upon issues of intersubjectivity, triple subjectivity, and positionality, in this chapter I have reflected upon how I and my research team influenced empirical material obtained. By incorporating such reflection before, during, and after fieldwork, I am confident the material collected is credible and captures perspectives of all participants.

Taking the definitions of fair trade and empowerment and expected outcomes (Table 5.4), the following two chapters chart interpreted lived experiences versus empowerment expectations. That process reveals themes that emerged from the fieldwork to reveal expected and unintended consequences of fair trade in this context. This demonstrates how a grounded theory approach facilitates a process to point towards lessons that could be learned for fair trade policy and practice, and critical thought regarding fair trade as a people-centred approach.

## Chapter 6

### Deepening exclusions and inequalities in Kasinthula's production community

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#### 6.1 Introduction

This chapter examines grounded, lived experiences of fair trade at the level of implementation to challenge imaginations, assumptions, and faith in harmonious communities critiqued in Chapter Two. It contrasts local interpretations, experiences, and understandings with globally defined fair trade expectations outlined in Chapter Five. Analysis of the exercise of control and influence reveals challenges and shortcomings to expected outcomes of promoting fair trade principles and Fairtrade certification such as increased participation and control and decreased exclusion.

In order to emphasise the positions from where people speak, who speaks, and to reveal perspectives of actors directly participating in the production of sugar cane at Kasinthula, the analysis in this chapter employs a grounded postcolonial interpretation. Chapter Two explained a postcolonial focus on subalterns for this thesis that promotes an emphasis on recognising lived experiences embedded in an uneven landscape through the voices<sup>117</sup> of a range of different social groups. Furthermore, integration of a politically engaged postcolonial reflection into a PAPN framework for analysis enables deconstruction and problematisation of assumptions of 'other' societies. Deconstruction of romanticised and essentialised producer communities highlights sites of uneven governance, unequal wealth distributions, and labour geographies to reveal dominant and subordinated groups in a society.

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<sup>117</sup> In this thesis voices are given as interpreted producer perspectives, recognising my position in the research mediating the opinions and views of others.

Participant perspectives are introduced as direct quotes and longer narratives to emphasise arguments, supported by numerical data generated from frequency analysis of some questionnaire material. The emic accounts of participants are supported with etic interpretations from my position in the research. As the chapter progresses, themes related to arguments of unintended consequences of exacerbating and reinforcing sites of exclusion and inequality in a local producer community are highlighted.

The two main sections focus on awareness and participation asymmetries and widening gaps between landholders and non-landholders. In each section there is a discussion of interpreted reasons for gaps between expectations and lived experiences of fair trade to date. The findings are summarised with reference to evidence from other fair trade impact studies that support key arguments uncovered in this chapter such as insufficient focus on social and political context and a call to decrease assumptions to negate shortcomings and unintended consequences. Through analysis and discussion reference is made to assumptions in people-centred community empowerment language and critiques of those assumptions.

## **6.2 Fair trade rhetoric**

In recent publications the fair trade movement has presented an enhanced appreciation of the need to account for different contexts to avoid making assumptions that may lead to unintended negative consequences. The FLO (2009a: 3) states

While [a common] *raison d'être* underlies all Fair Trade initiatives, it is expressed in a diverse range of practical activities and programmes in order to better respond to the particular needs and circumstances of the people targeted by each initiative. Clearly one mode of operation cannot address all the problems experienced in different product sectors (from coffee to crafts), geographic locations (from Mali to Mexico) or stages of production (from farmer to factory worker).

Within the common *raison d'être*, under the umbrella term of equality, fair trade aims to affect representation, transparency, democracy, inclusivity, and participation in producer organisations. This is in keeping with the language of community in people-centred approaches discussed and critiqued in Chapter Two. As outlined in FLO standards



The organisation must be an instrument for the social and economic development of the members, and the benefits of Fairtrade must reach the members. The organization must therefore have democratic structures in place and a transparent administration, enabling effective control by the members and the Board over the management of the organisation, as well as enabling the members to hold the Board accountable for its activities. (FLO, 2009: 7)

Emphasising participation, democracy, and transparency, it is hoped (and arguably assumed) that sites of unevenness and inequality are reduced through fairer producer group and producer community relations. The mechanisms employed to facilitate change are ‘extra mile’<sup>118</sup> support, payment of Fairtrade Social Premiums (FSPs), creation of a Fairtrade Premium Committee (FPC), and auditable standards to affect working conditions and community developments. In the case of Kasinthula, the principal formal institutional structure that has been put in place from which to seek evidence of fair trade impact is the FPC. That is the focus of attention later in this chapter.

Whilst well-intentioned, problematisation of assumptions embedded within implementation of the Fairtrade producer community concept reveals unintended consequences. That process begins with analysis of the ways in which Fairtrade processes and benefits have been experienced by different producer members of Kasinthula with an assessment of levels of awareness and participation.

### **6.3 Awareness and participation asymmetries**

Assessing impact of fair trade in terms of levels of awareness has been the focus of many previous studies. For instance, research conducted by Dolan (2008), Getz & Shreck (2006), Lyon (2007), Mendez (2002), Murray et al. (2006), Ronchi (2002), Shreck (2005), Utting (2009) and a review of impact studies by Nelson and Pound (2009) all discovered a general lack of understanding and recognition of what fair

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<sup>118</sup> The previous chapter highlighted ‘extra mile’ support as one mechanism through which small-scale producers should benefit from Fairtrade certification and FTO relations. This support is intended to be in addition to mainstream commercial relations that traditionally only focus on technical purchasing elements such as prices, payment terms, and produce quality. Through information and training sessions, fair trade personnel seek to enhance knowledges and skill-sets of small-scale producers. Normally information regarding fair trade, markets, and the producer group business, and training regarding production, marketing, and organisational skills are the tools employed to build capacities.



trade is and does. In interviews I focussed on inequalities in awareness in addition to general awareness levels.<sup>119</sup>

Throughout this chapter examples are drawn from each category of Kasinthula member (farmer, permanent employee, and seasonal employee) to give a picture of the range of perspectives and opinions. They are also presented to reflect the individual circumstances of a particular participant, recognising heterogeneity and that not all people in each category are the same. From interviews and subsequent analysis numerous instances of broad differences in awareness and knowledge of different aspects of fair trade emerged, as the following examples highlight.

### **6.3.1 Excluded subordinate employees**

Among the approximately 260 employees hired by KCGL and Kasinthula's farmers to work seasonally to harvest sugar cane, almost one-fifth did not live permanently in the Chikwawa district. Those who travelled from other regions to work at Kasinthula lived in temporary accommodation adjacent to the cane fields for the eight month cane harvesting season. For many it was not possible to bring their families to live with them at the camp during this time. Instead those with families living elsewhere would send money home to support those dependent on their incomes.

As discussed in the previous chapter, one afternoon I visited the employee camp to consult with some employees after their long day of work in the cane fields. The following day I agreed to return as most employees welcomed the opportunity of consultation with people external to Kasinthula to discuss fair trade and other matters of interest to them. For those interviewed this represented the first opportunity to learn about fair trade.<sup>120</sup> For instance, consider the quote below by one man who volunteered some time for interview after working all day cutting cane. Like many of his colleagues he worked from around 6am to 3pm cutting cane in fields with little time for a break from the hot temperatures and difficult field conditions:

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<sup>119</sup> I discuss this in the first person in recognition that I am the only author. However, as discussed in Chapter Five, it should be recognised that I worked with research assistants in all interviewing.

<sup>120</sup> In the presentation of statistical data I sometimes include data from seasonal employee interviews even though only eight were interviewed one-to-one. However, through the chapter I include comments and quotes from seasonal employees to support interpretations made.

We only know about fair trade because of your meeting yesterday, you are the first to tell us anything about fair trade. Before my friends and I had heard the term but did not know much about it.<sup>121</sup>

This employee had been working for eight seasons cutting cane. With five children and five further family members dependent on his income, exclusion from any knowledge of fair trade and subsequent benefits led him to complain that

With my low income I am failing to build a house, and provide new clothes and shoes. My wife does not work so as the senior income earner for my family the little I get each month is spent on food so I cannot improve the living condition for my family.

The principal reasons offered by the seasonal employees interviewed regarding their lack of awareness and participation related to an exclusion from consultation about fair trade. As temporary residents and hired labour they considered themselves as separate from and of a lower status compared to the farmer members of Kasinthula who are embedded in the local society. Already this highlights the utility of and need to explore unequal place based social and political geographies through a post-Marxist lens as part of a PAPN analysis.

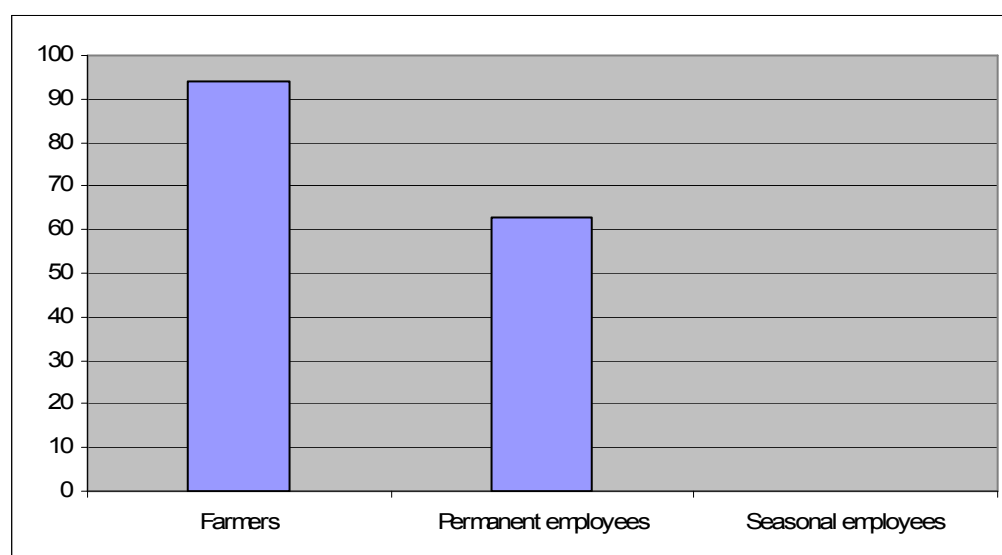
Offering further insight, in discussion with one man who earned the equivalent of US\$1.50 per day for cutting cane by hand, reflecting a sense of exclusion he said ‘we don’t know anything about fair trade because we are just seasonal employees’. At the time of interview this man had worked for five seasons for Kasinthula. Despite that period of service, during which time KCGL received Fairtrade status, he continued to point out that ‘to us fair trade is just a song; we don’t see its impact or any benefits where we live’. As a temporary resident in the district his concerns principally related to the condition of housing and sanitation at the employee camp, which had received no investment in the years he had lived there. Others cited poor housing, limited clean water, and only one bathroom which was presented as being particularly uncomfortable for women.

The first quote above highlights a lack of a sense of entitlement based on his status within the producer group hierarchy reflecting embedded exclusions and inequalities

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<sup>121</sup> To protect anonymity reference to participant names is excluded. References for individual interviews are held by the author.

in a non-homogenous producer community. Subsequent interviews with other seasonal employees highlighted a general lack of ability to offer a definition of fair trade given their lack of involvement. Contrasting responses from representatives of the different producer categories at Kasinthula, Figure 6.1 shows the variation in percentages of different Kasinthula producers who were able to offer a definition in interview.



**Figure 6.1 Percentage able to provide a definition of fair trade.**

Source: Author's research

The most revealing statistic relates to the lack of fair trade awareness of seasonal employees who represent approximately one-third of those directly involved in cane production at Kasinthula. In contrast, most farmers were easily able to provide a definition. This is a reflection of the fact that many farmers occupy positions on KCGL committees and are directly or closely related to local leaders in the neopatrimonial society introduced in Chapter Four. In this situation those possessing greater levels of control and influence are more regularly consulted on matters concerning the business.

Reflecting on this example, and others to follow, in terms of a postcolonial critique, it would be incorrect to assume that participants would either have a need or desire to understand what fair trade is. In the context of Kasinthula and southern Malawi, this thesis has already highlighted a culture of donor dependency emanating from long established uneven international relations with former colonising countries such as the UK. This legacy suggests that for many in the Kasinthula production community, fair

trade simply represents another of a long list of overseas development programmes and, therefore, something else that is beyond their control and influence.

In this situation, a challenge for fair trade, as highlighted in Chapter Two, is to avoid creating further paternalistic relations in efforts to empower others. In discussing the persistence of donor dependency relations in Fairtrade exchanges, Dolan (2010: 2) concludes that ‘the processes through which these development “gifts” [such as the social premium] are conferred are marked less by collaboration and consent than by patronage and exclusion’. The impact of this is uneven and unequal distributions of fair trade participation and benefits, situations this chapter now continues to explore.

Evidence presented in Figure 6.1 highlights an inequality at the local level that requires further analysis. The evidence suggests an influential role of uneven forms of local governance and labour geographies in shaping fair trade knowledge and experience. This supports an argument regarding the role of social relations of production in affecting who benefits and participates, also discussed by Cumbers et al. (2008) and Luetchford (2008). Applying a politically engaged postcolonial reflection to analysis of social relations reveals how dependent relations with external global production network members continue to be experienced in uneven and unequal ways by different members of a local agricultural production society.

Encountering sentiments of exclusion and frustration suggested a lack of dissemination and consultation with a landless population at Kasinthula by either KCGL personnel or previous external visitors to the scheme. These issues were explored in further interview conversations with reference to the principal mechanisms designed to improve fairness and livelihoods through fair trade at Kasinthula. Discussing this with representatives from a range of producers revealed a sense of ‘them and us’, reflecting uneven levels of participation, control, and influence embedded in the region.

### **6.3.2 Them and us: excluded and frustrated versus included and motivated**

As outlined in section 6.2 and in Chapter Four, there are a number of mechanisms in the fair trade approach aimed at improving the livelihoods of all involved in the production of a Fairtrade certified commodity. Given the level of importance and

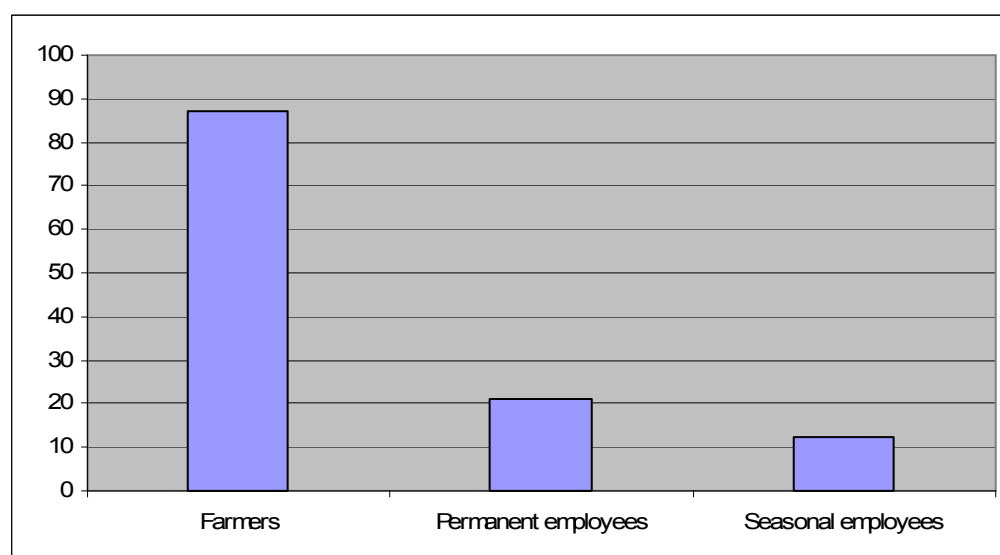
relevance to producers, participants from all sectors of Kasinthula were consulted to understand their levels of awareness of these mechanisms designed to improve their lives, as well as associated participation. Taking each mechanism in turn, the text and figures below reveal similar patterns of awareness, inclusion, and exclusion introduced in section 6.3.1 and the influence of embedded hierarchies and inequalities in this region.

### Fairtrade standards

One mechanism of Fairtrade is the published standards of the FLO for small-scale producer organisations. As a whole, implementation of these standards should

Lead to the demonstrable empowerment and environmentally-sustainable social and economic development of the producer organization and its members, and through them of the workers employed by the organization or by the members, and the surrounding community. (FLO, 2009b: 6)

The analysis of the percentage of participants who offered a definition or awareness of these auditable standards designed to affect livelihoods of all members reveals a significant lack of awareness among all categories of employee.



**Figure 6.2: Percentage able to state awareness of Fairtrade Standards.**

Source: Author's research

Many employees, such as one young man with a wife and three children who had been employed to irrigate fields through the period KCGL had Fairtrade status, had no opinion to offer when asked what he thought people he worked with understood fair

trade to be. Regarding the key principles or standards of fair trade he explained ‘in the four years I have been working at Kasinthula we haven’t formally been told what fair trade and the standards are’. Later in the interview he complained that it is only the farmers who appear to take part and benefit from anything to do with fair trade. As the standards are designed to inform and improve livelihoods, a first stage would be to ensure the intended beneficiaries are aware of them and their purpose. The evidence here suggests a shortcoming in ensuring that first criterion was achieved.

For this employee and many others interviewed, without offering a definition of fair trade, their responses suggest that to them fair trade is a phrase that represents something that comes from external people that benefits farmers. In this case the objectives and principles within the fair trade model designed to bring some benefit to all producers have not permeated through to all members of the producer group. This highlights a shortcoming of assuming automatic trickle-down of information within a producer group that stems from assumptions of harmonious co-operative producer communities.

As with many aspects of fair trade, normally information regarding aspects such as auditable standards and responsibility for ensuring all members become aware of the details is granted to those native informants most frequently in contact with fair trade personnel. It is then expected (and assumed) that through transparent processes all members become aware and participate. This example and others in this section contribute to critiques of an approach that has embedded assumptions regarding co-operative producer communities. After five years of Fairtrade status most hired labour at Kasinthula appeared excluded from such important knowledge.

#### FTO training and workshops

I referred to training and information sharing sessions as part of ‘extra mile’ support offered by FTOs in section 6.2. Participants in this research were asked if they had participated in such sessions and what subsequent benefit (if any) they perceived. Employees were interviewed during their work hours and seated outside of the KCGL office block inside which knowledge and training sessions run by external visitors (such as FTOs) would normally be conducted.

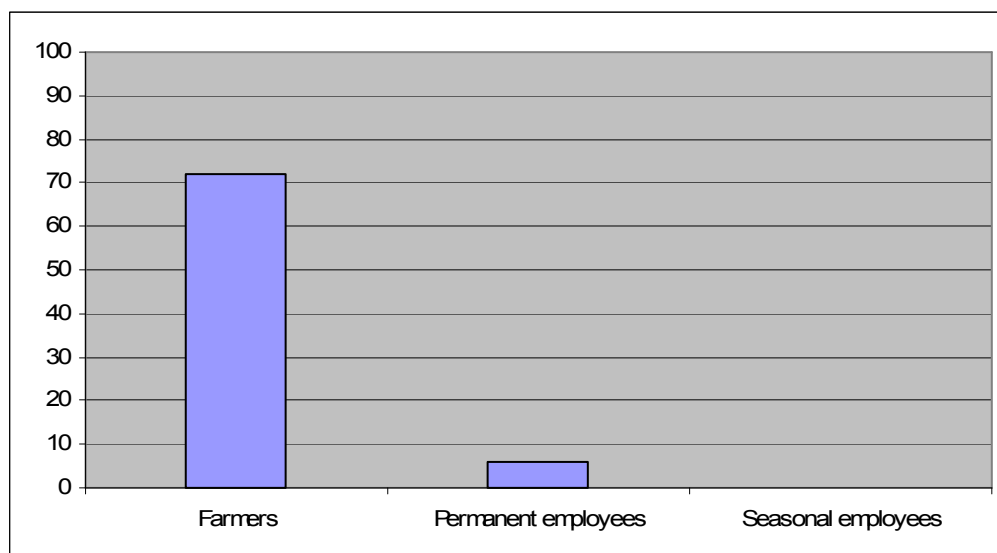


**Figure 6.3 Employees gathered outside the KCGL office block for their monthly wages.**  
Source: Author's photograph



**Figure 6.4 Employee irrigating a sugar cane field.**  
Source: Author's photograph

In an interview one man who had worked for Kasinthula for six years since the age of fourteen irrigating sugar cane fields stated that ‘this is the first time I have received any training about fair trade. We are not told information; we just receive too little income for too much work’. In contrast, a large majority of farmers interviewed stated they had received some form of knowledge or training from FTOs, as the charted responses in Figure 6.5 highlight.



**Figure 6.5: Percentage stating attendance at fair trade training/knowledge sessions.**  
Source: Author's research

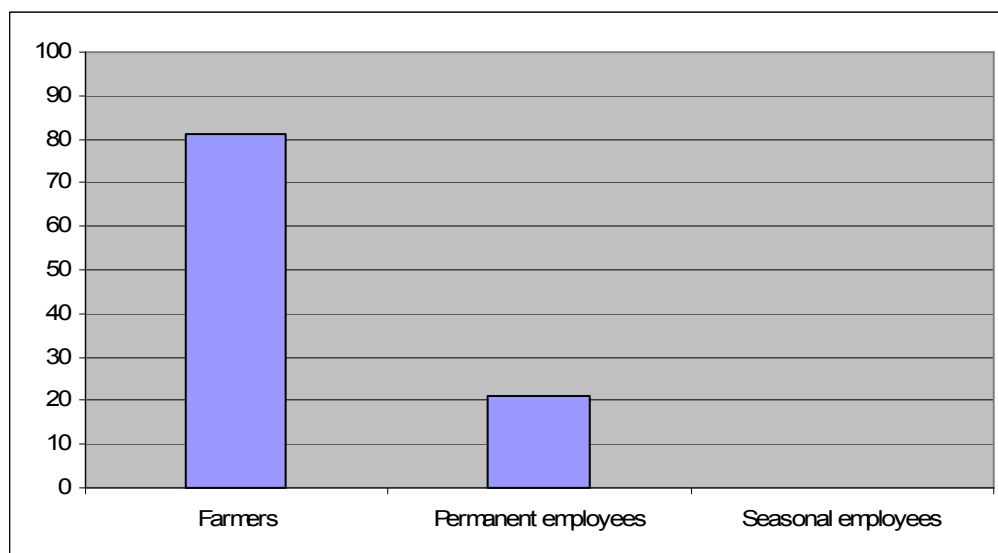
Of the farmers who had participated in sessions, one half said they had learnt more about fair trade, knowledge that was evidenced in section 6.3.1. The majority of the rest said they had learnt more about production techniques, finance management, and sugar market information, all of which contribute towards greater control and influence over their livelihoods on the part of farmers.

All Village Headmen in the villages surrounding the sugar scheme are farmers at KCGL. The fact that nearly all employees whose Village Headmen are farmers were unaware of fair trade supports an argument introduced in the previous section that it is incorrect for those delivering fair trade to assume that those with a higher status in an unequal producer community will automatically disseminate and share information. Such assumptions are found in the language of Fairtrade material of the FLO that marginalises recognition of the possibilities for self interests to come before romanticised communal values.

#### Post-harvest sugar market information

Continuing the story of inclusion versus exclusion from awareness and participation in matters relating to the KCGL business, Figure 6.6 charts levels of response to questions regarding improved access in recent years to information about what happens to Kasinthula's sugar post-harvest and the markets it is sold to from information sessions attended.





**Figure 6.6 Percentage stating improved access to post-harvest sugar cane information.**  
Source: Author's research

In Figure 6.6 the pattern emerging through this chapter is evidenced again; a large percentage of farmers said that access to information about Kasinthula's sugar cane had improved, whereas few employees stated likewise. Those farmers who stated an improvement were asked to expand with further details. One farmer who was living in Chinangwa village, a village containing many farmers, went on to explain, 'I attended a training session with fourteen of my friends. We were told more about fair trade and we are now well informed on what happens to our sugar in relation to fair trade and other markets. As a result I now work harder'.

As a result of learning more about fair trade sales and good agricultural practice (GAP) techniques some farmers were clearly motivated to do more. One female farmer, also a Chinangwa resident, explained, 'after attending some FTO training I learnt more about food farming methods and how fair trade operates. I am now working harder than before to produce good sugar cane so that my returns and benefits from fair trade should increase'. Spending time in Chinangwa village it was clear that all of the KCGL farmers I met there were very involved in fair trade matters and receiving significant sums of money from social premium payments, as I explore in the next section of this chapter. However, while many farmers expressed awareness and involvement, their awareness of fair trade suggested an interpretation that it is a market from which they receive more money for their sugar cane. Such an interpretation conflates with non-financial 'help them to help themselves'

empowerment messages in fair trade discourse and highlights an embedded dependency issue that is explored further in Chapter Seven.

Returning to the subject of a sense of inclusion or exclusion, at group level farmers on the FPC pointed out that ‘extra mile’ support has enlightened all farmers regarding post-harvest processes and destinations:

In the past, business transparency between Kasinthula and Illovo was a problem; we could not know the details of what used to happen to our sugar cane. We are now able to follow the every detail from the cane field up to the market. We were even taken to Illovo to see the sugar processing up to the final product. The whole business process is now known to us and even farmers. (FGD2)<sup>122</sup>

From such responses it appears that for the majority of farmers interviewed there are strong connections to fair trade information processes and motivations generated by such connection. That connection materialises from occupying more senior positions in the Kasinthula producer hierarchy, particular those farmers on the Fairtrade Premium and phase committees.<sup>123</sup> As a result of occupying positions closer to the commercial operations of the business, they are the ones most frequently visited by external agents (such as FTOs and other buyers). This position affords opportunities to be consulted on fair trade and become the focus of fair trade contact and promotion. Reviewing fair trade websites reveals such promotion of farmers as the faces of KCGL. For instance, the Fair Trade Foundation website discusses the 282 farmer members of KCGL but excludes reference to 550-plus hired labour members.<sup>124</sup>

With reference to the work of Spivak (1999), conceptually the farmers then become the native informants of the KCGL fair trade story as the producers represented, profiled, and visited. This generates perceptions of superior levels of control and influence within the organisation. Such stratification conflicts with imaginations of equality in co-operative producer groups embedded in people-centred community

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<sup>122</sup> For FGD group quotes I reference the group number (Appendix B). Individual farmer or employee names were not recorded in accordance with confidentiality agreements established before interviews.

<sup>123</sup> As identified in Figure 5.1 in Chapter Five.

<sup>124</sup> [http://www.fairtrade.org.uk/producers/sugar/kasinthula\\_cane\\_growers\\_malawi/default.aspx](http://www.fairtrade.org.uk/producers/sugar/kasinthula_cane_growers_malawi/default.aspx). Similar farmer promotions can be found on: <http://www.communityfoodenterprise.org/case-studies/international/kasinthula-cane-growers-limited>, and <http://transfairusa.org/pdfs/profiles/Kasinthula-MAL.pdf>

empowerment discourse (Lacey, 2009). Regarding challenges to reduce assumptions of harmonious, co-operative, and harmonious producer communities, Berlan (2008: 173) notes how ‘academic literature on fair trade that has emerged in recent years has begun to question some of its marketing and underlying assumptions’. Such literature generated by scholars including Arce (2009), Dolan (2008, 2010), Luetchford (2008), and Mendez (2002) supports arguments being made here about the need to reduce romantic assumptions. For instance, Luetchford (2008: 165) argues ‘the cultural and romantic association of peasant modes of production diverts attention away from obvious inequalities between parties with different interests and capacities’.

Exemplifying such inequality, in contrast to many of the farmers interviewed, the majority of permanent employees and all seasonal employees stated that there had been no impact on their knowledges of Kasinthula’s sugar post-harvest. Exploring two examples of a permanent and a seasonal employee, the quotes below offer further evidence of the levels of exclusion suggested by the frequency data in Figure 6.6. First, a man employed to monitor the water pumps in the cane fields who had been working for nine years at KCGI complained, ‘I am not invited to take part on fair trade or other issues. We don’t have access to information about what happens to our sugar or the plans of Kasinthula, we are only told about our salaries, not other things’. Similarly a man who for eight consecutive seasons travelled from the Nsanje district approximately 100km south of Chikwawa to work six days per week cutting cane for the eight month harvest season explained, ‘I don’t know anything about information about the sugar we cut, we are not told anything; we are not included as we don’t stay here permanently’.



**Figure 6.7 One-to-one interview with a seasonal employee at the employee camp.**

Source: Author's photograph

The issue relevant to analysis here is not what difference any information about Kasinthula's sugar and the markets it is sold to would make to employees. Instead it is the persistent exclusion and subsequent frustrations that were expressed so clearly through perspectives offered by employees in our interviews. A post-Marxist lens that focuses on local inequalities highlights that with no title to land employees are not regarded as owners of the sugar cane produced at Kasinthula, whereas farmers and the management team hold either title to land or operate direct relations with external production network partners such as Illovo and FTOs. Occupation of such positions was the principal reason interpreted for the differences in access to training and information.

In addition to these quotes, feelings of exclusion from information sharing and training sessions were illuminated by the following statement by the seasonal employee with ten dependents introduced earlier in this chapter; 'we just see mzunguu [white foreigners] coming to take our photos. We don't get spoken to or told anything. We only know that sugar is made at Illovo because we know that Illovo is a sugar producer from our own knowledge'. This is an extremely revealing quote that highlights an acknowledgement of an embedded subordinate status on the part of this seasonal employee. He portrays a frustration at being ignored by both internal agents of Kasinthula and external agents who visit to observe them working to take pictures

but not time to consult them. It appears that only those with a higher status at Kasinthula are regarded as native informants to be consulted and informed based on the evidence here. Therefore, in this case fair trade is not challenging embedded inequalities in the institutional environment at Kasinthula.

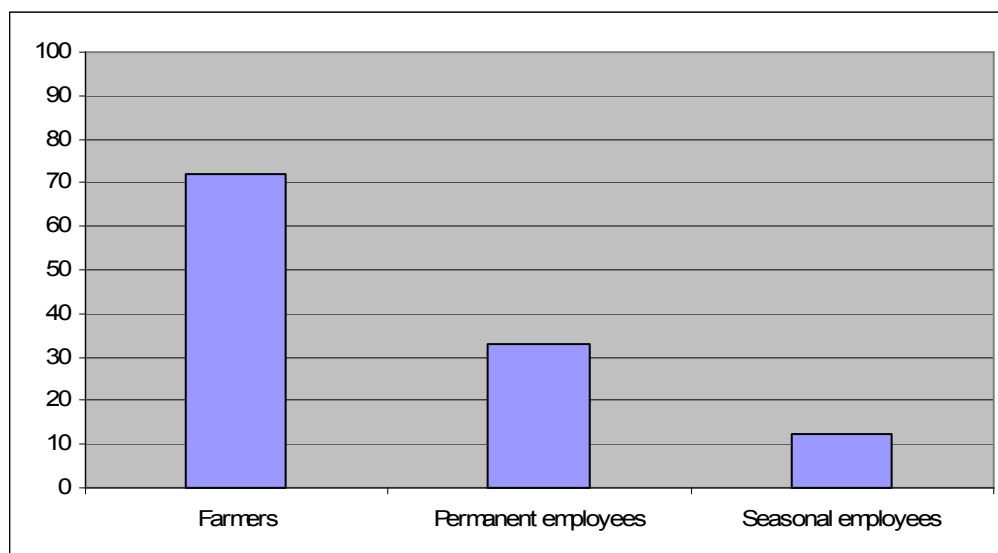
I observed this situation in action while at Kasinthula, witnessing a number of sugar buyers who visited for an afternoon, met the small number of farmers most frequently consulted, such as members of the FPC, and conducted brief tours of fields and a local village. Even some FTO personnel who may spend two or three days at Kasinthula admitted to me they had not visited the seasonal employee camp. Presenting this critique to fair trade personnel prompted acknowledgement of a shortcoming in approach to be addressed.

#### Fairtrade Social Premium (FSP)

In the absence of a Fairtrade price for sugar, as presented in Chapter Four, the most significant financial injection into KCGL has come from FSP payments. The FSP is a payment made to the producer group for investment in local sustainable development. Specifically, requirements regarding the FSP state that

In the context of small producers' organizations it is meant for investment in the social, economic and environmentally-sustainable development of the organization and its members and through them, their families, workers and the surrounding community. ... [Furthermore] the organization must show that it has systems in place to administer the Fairtrade Premium in a transparent way for the benefit of the members. "Transparency" also means that information regarding the status of the Fairtrade Premium must be accessible to members within a reasonable timeframe. (FLO, 2009b: 10)

Given the emphasis on transparency and condition that all members should be aware of and subsequently benefit from payment of the FSP, participants were asked to define or state their awareness of the FSP (Figure 6.8).



**Figure 6.8: Percentage able to define the Fairtrade Social Premium (FSP).**

Source: Author's research

Interestingly, more employees stated awareness of the FSP than of fair trade standards and training (Figures 6.2 and 6.5), reflecting the dominant importance of the financial element of the Fairtrade system in a low income context versus the fair trade principles advocates aim to promote. Those who provided a definition stated that the FSP was either money to help farmers or for local social development projects. This reveals a sense of entitlement on the part of farmers given their status locally over other members of Kasinthula.

Many permanent employees emphasised frustration at the lack of knowledge and subsequent benefit from the FSP. When asked about the use of the money, one such employee who had been permanently employed by Kasinthula for nine years to check irrigation canals succinctly explained the frustration: 'we are the ones working in the fields and so we should benefit from fair trade like farmers do. Yesterday they started drilling a borehole in the employee camp, which is good, but we just see these things being done, we are not involved in deciding who benefits from fair trade'. This reflects a lack of control and influence on the part of many employees.



**Figure 6.9 Borehole construction at employee camp.**

Source: Author's photograph

From observations during my time at Kasinthula it was evident that many farmers did not spend significant periods of time working in the cane fields. This is in part due to some being elderly,<sup>125</sup> but also due to their status in local hierarchies. Many were either local leaders, such as Village Headman, or had direct relations to local elites in the district and, therefore, assumed other responsibilities away from the fields, such as committee positions. In such a context those holding title to land and other influential positions are able to pursue their own interests more easily compared to other producers. This situation left many employees, both permanent and seasonal, frustrated at seeing only farmers benefiting, echoing sentiments of the employee quoted above.

More is discussed later in this chapter regarding different levels of financial benefit received from FSP payments by different producers. However, at this point I argue the example at Kasinthula reflects a situation of elite capture of control and benefits. Elite capture is a challenge facing movements such as fair trade that have democratic and equality ambitions embedded in its approach. Employing critical elements of a PAPN analytical framework presents empirical evidence of hierarchies, stratifications, and legacies that result in elite capture. The contributions of this toward a growing critical

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<sup>125</sup> The average age of farmers I interviewed was just below 50, 10 years above the national average.

literature on community empowerment efforts and elite capture consequences are discussed through this chapter.

### **6.3.3 Elite capture and islands of prosperity**

The analysis so far suggests reinforcement and arguably an exacerbation of existing embedded local inequalities between farmers and employees, both permanent and seasonal, at Kasinthula. This suggests an existence of different perceptions of control and influence among Kasinthula producers and an insufficient focus on these existing stratifications associated with the introduction of fair trade in this case. A large percentage of employees situate themselves in positions below farmers which reflect the hierarchical society and inequalities introduced in Chapter Four.

This point was again evidenced in responses to a question to all participants to ascertain what perceived impact Fairtrade certification and associated mechanisms had on abilities to participate in decision making processes at Kasinthula. Of those interviewed, 81% of farmers said their participation levels had increased, whereas 64% of permanent employees and 87% seasonal employees said no impact had been experienced. This disparity reflects the influence of embedded uneven governance structures where those already in positions of greater influence and control participate more fully in decision making.

Sitting down to discuss this with a group of seasonal employees at the employee camp one afternoon after they had finished work (Figure 5.5) led one seasonal employee to elaborate on the point regarding a lack of participation, stating that ‘most of them who have shares in the land don’t give chances to others to participate’. (FGD4)

Revealing issues concerning transparency and governance (control) of decision making in the hands of a minority at Kasinthula contributes to a growing critical literature on fair trade regarding such consequences. For instance, Mendez (2002:13) found that ‘in practice, there is a tendency for the board of directors to make decisions without consulting the general membership..., many conflicts seem to arise due to this lack of communication and transparency’. As a result of such governance issues, Eberhart (2006) and Prieto et al. (2004) warn of a risk of producing ‘islands of



prosperity’ where only a limited minority capture benefits from fair trade in low income communities.

Such instances, including the evidence presented in this chapter, challenge some of the theories at the core of community approaches. In Chapter Two, with reference to Sen (1999), I discussed the ideological popularity of democracy in the community concept. As Lacey (2009: 55) notes, many ‘top down’ agricultural co-operatives are produced ‘for not by them’, as is often the case in traditional NGO co-operative models.<sup>126</sup> When such approaches encounter instances where democratic ideals and practices are not embedded in the experiences of the majority population, as in the context in Malawi, then unintended consequences of elite capture and islands of prosperity are more likely to be witnessed. In this case blindness to embedded uneven social and political structures has resulted in the appearance of an influential minority in committees designed to empower a wider majority (Hickey and Mohan, 2004 and Luttrell et al., 2007), producing uneven levels of participation and awareness.

#### **6.3.4 Addressing FPC governance**

A focus on who sets and enforces the rules of formal certification standards (such as those of the FLO) can be facilitated through a governmentality lens (Dean, 1999; Hughes, 2001). Certification practices introduced by global production network actors external to a local context can embed new socio-political dynamics and create new forms of tension (Mutersbaugh, 2003). Critically, globally employed rules such as those related to forming a FPC are abstract from a socio-political environment in place and therefore do not reflect the nuanced sets of relationships in a specific context (Hughes and Reimer, 2004). The findings related to uneven levels of participation and wealth distribution resulting from operations of the FPC at Kasinthula add weight to such critiques.

In recognition of such exclusions, imbalances, and a lack of participation on the part of many employees, in 2008 those who govern the Fairtrade audit process dictated a corrective measure to alter the membership of the FPC and therefore attempt to redress blindness towards issues of exclusion among different Kasinthula producers. However, as this section outlines, dictating such changes through processes of audit

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<sup>126</sup> As highlighted in Chapter Four in the case of KCGL being a development producer group.

and certification limit the ability to significantly alter the unequal social and political context in the case of Kasinthula.

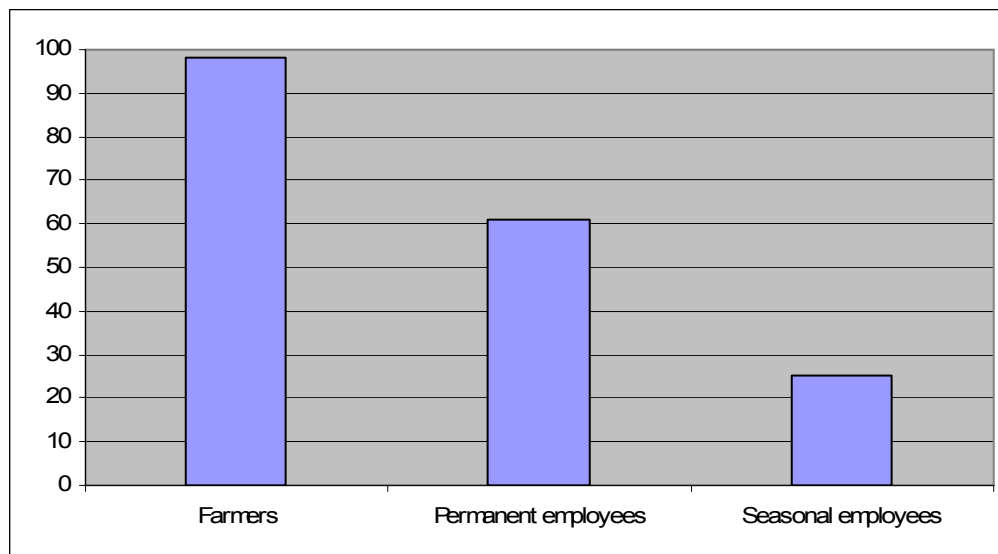
The FPC is entrusted with determining the allocation of FSP funds generated by Fairtrade sales. According to the standards of the FLO, the FPC should be democratically elected by all members of the producer group, be transparent in its operations, and instigate structures through which all producers are represented, included, and able to participate in processes that affect FSP fund allocation decisions. Specifically:

Decisions on the use of the Fairtrade Premium are taken democratically by the members, following principles of transparency and participation. It is the joint responsibility of the organization and its members to take wise and fair decisions. (FLO, 2009b:10)

Again, the language here reflects that often found in people-centred discourse such as participation, democracy, and transparency. To explore the extent to which this language was reflected in practice, participants were asked about their awareness of the FPC and related processes. Regarding the change to include two employees on the FPC, more permanent employees were aware of this change compared to farmers, but three quarters of seasonal employees stated they did not know which groups of people were on the FPC. Again, there was unevenness in knowledge flows and participation among different groups of producers.

One interesting finding is the higher number of permanent employees stating awareness of changes to the FPC membership. This was perhaps due to the fact the two employees elected to the FPC came from this pool of employees, meaning their peers were mostly aware. This awareness and heightened enthusiasm regarding fair trade prompted one group of permanent employees to respond positively regarding an improved opportunity to have a voice; ‘we have had a chance with the election of the two representatives we have on the fair trade committee. In the past we thought that fair trade was for the farmers alone but with these representatives we have found a means for expressing ourselves’ (FGD6). This example demonstrates the potential positive impact of recognising silenced voices, and by providing space for voices to be heard, affect uneven governance geographies.

To ascertain the extent to which these changes were being disseminated, subsequent questions probed for knowledge of voting and meeting processes.



**Figure 6.10 Percentage stating awareness of FPC election process.**

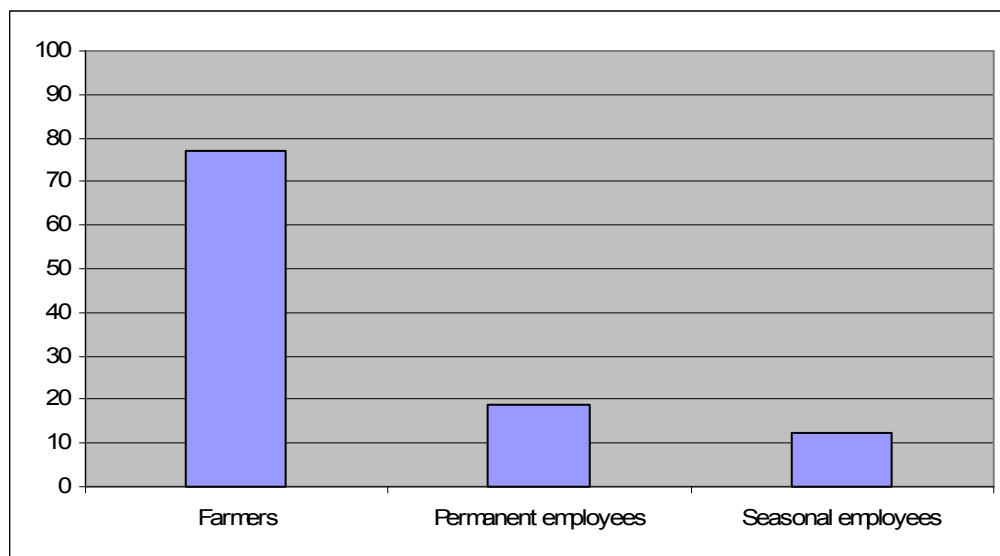
Source: Author's research

Figure 6.10 highlights a limited awareness of processes about how people become elected as members to the FPC among seasonal employees. One seasonal employee, who had been working for two seasons cutting cane at Kasinthula, announced that our visit was the first time he had met 'fair trade people'. He summed up the excluded position stating, 'I don't know anything about voting, as seasonal labour we are not involved in anything to do with electing a fair trade committee. There is no communication about fair trade'. With the temporary status experienced by seasonal employees, none appeared to be formally involved or consulted regarding fair trade issues.

Although more permanent employees were aware of voting processes, this comment from a man employed since the beginning of the sugar scheme as security personnel to guard the cane fields reflects that many permanent employees still feel excluded; 'we don't participate, we are only told of instructions. Only farmers have the ability to affect decisions, and they do so in favour of farmers'. There is a clear sense of hierarchy and positionality in this comment, reflecting the superior status enjoyed by farmers and a sense of dependency on those in superior positions to instruct others. Again this reflects an embedded set of class relations in this context that appears to

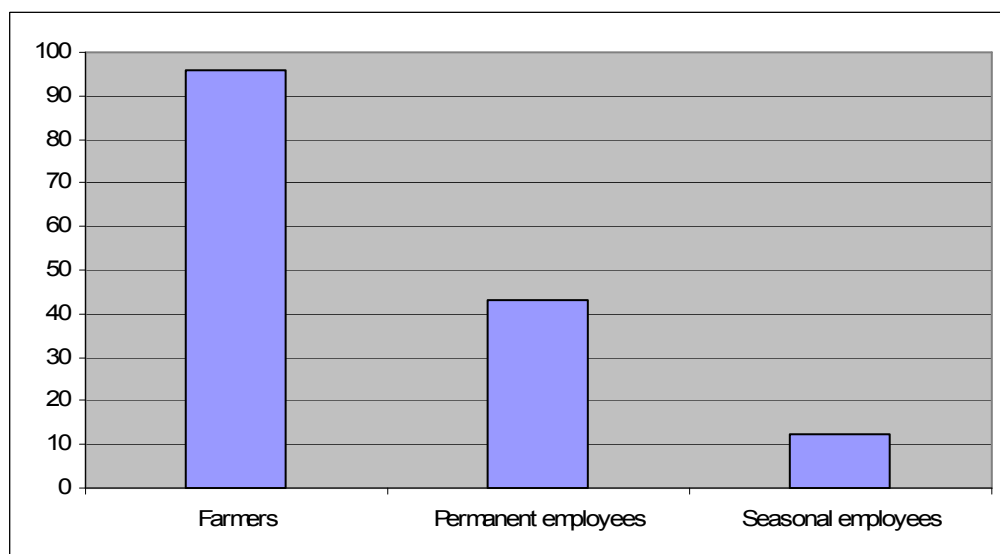
anchor many in unequal, subordinate positions, a situation marginalised from external audit processes.

Continued discussions regarding the FPC revealed further evidence of the same pattern of unevenness in awareness and participation between the different groups of producers at Kasinthula. Figures 6.11, 6.12, and 6.13 all show evidence of this pattern regarding awareness of FPC processes and involvement in dissemination from the FPC.



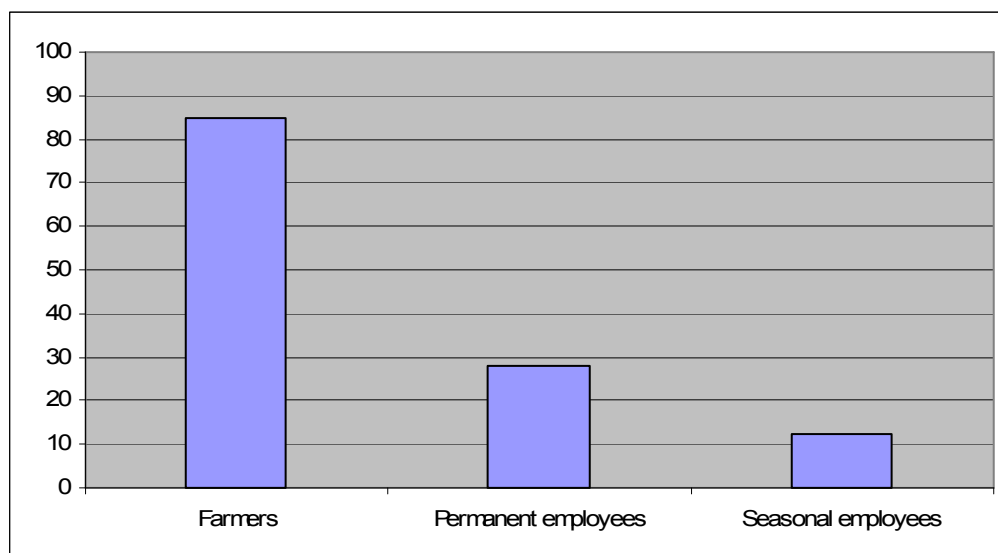
**Figure 6.11 Awareness of frequency of FPC meetings.**

Source: Author's research



**Figure 6.12 Percentage consulted by the FPC.**

Source: Author's research



**Figure 6.13 Percentage receiving information direct from the FPC.**

Source: Author's research

Continuing the focus on the FPC as the most significant formal institution implemented since Fairtrade certification of Kasinthula, with its powers to control and influence dissemination of fair trade messages and allocations of FSP funds, the next section looks at the impact of including employees as members of the committee.

### **6.3.5 Subversive tales**

As explained in Chapter Five, the two employees elected to the FPC were given an opportunity to present their experiences in our research process. Echoing Spivak (1999) in this approach, those normally subordinated became the native informants unlike other occasions when the most influential farmers are the native informants to visitors and auditors. One of those elected explained the change in knowledge he gained as a result of promotion to the FPC by stating, 'before joining the committee I never really knew what fair trade was all about or what it was for. Since I joined the leaders of this committee explained to me everything, and now I have more knowledge of what fair trade is and what it does'. Based on his experience he explained that there is a need for all employees and others who live around Kasinthula to be taught what the FSP is.

He continued by saying increased knowledge of fair trade would facilitate further inclusivity and motivation to participate, as he explained

It is necessary that people should know that the FSP is meant for the development of the whole community and not individuals. The biggest problem is that many people do not know all this, and hence cannot take part in the development of the area. I would like to call upon all those who have knowledge about fair trade to come and teach us about fair trade.

This request was also stated by a permanent employee who had worked since the formation of KCGL who said, 'I don't know what fair trade can do until I know its rules and regulations'. This appeal to others to come and teach the 'rules of the game' about fair trade reflects a dependency on external agents to tell people embedded in the legacies of a paternal context what to do. It also suggests a lack of faith in those locally given power to disseminate knowledge about fair trade, in other words, some members of KCGL management and dominant farmers on committees.

By electing two employees to the FPC, those associated with the Fairtrade process granted an opportunity for those employees to learn about and speak on matters regarding the FSP. However, the series of quotes in Box 6.1, which could be regarded as 'subversive tales', highlight an important point related to voices of subalterns (Spivak, 1999). The evidence suggests that while the two elected employees may have more knowledge of fair trade, there is a difference between having knowledge, a voice through committee representation, and actually being heard.

### **Box 6.1 FPC employee quotes about participation frustrations**

‘We can’t really influence that much as we are two versus eight and so are mainly over powered by farmers’.

‘There are two very different things between what I have been told and what happens on the ground. Doreen Chanje (from Twin Trading) started a programme in November (2007) and into this year to tell the committee about its roles and responsibilities. For instance we were told about the rules and regulations on the selection process of contractors. It should be that a number of contractors are invited to bid but that doesn’t happen. The committee just selected their favourites’.

‘They don’t go to the workers to explain what fair trade is about. When they have a meeting when to share the money the employees are not invited’.

‘The farmers do share the money from fair trade. For three months they shared it amongst themselves (MKw 91,000 per farmer). This began in December and continued in January and April 2008’.

‘After the audit, in August, the farmers will be given MKw 100,000 [US\$714.00] each. I know this because some of my peers on the committee are farmers and they tell me in an excited mood but they don’t realise I am hurting inside’.

Despite representation, the perspectives offered above highlight a number of issues related to tensions in this producer community and wider issues related to the ‘fairer’ practices fair trade aims to embed in such a community. The first point is that this evidence suggests there is a difference between having a voice and being heard. In a democratic system that fair trade promotes, employees will always be out voted by the larger farmer representation in the model implemented at Kasinthula. Moreover, the embedded superior status of the more influential farmers means their voices still dominate in decision making processes related to the FPC.

Second, an apparent lack of transparency and associated lack of trust generating tensions among the different producer groups at Kasinthula are evident. This again challenges notions of harmonious, homogenous producer communities embedded within fair trade discourse based on theories of community, social capital, and co-operation discussed earlier. It highlights challenges to empowering others, including a need to be attentive to inequalities such as those embedded among Kasinthula’s producers and the impact inequalities have on levels of uneven representation, participation, control, and influence.

In summary, the evidence presented and analysed in the first part of this chapter has shown that those experiencing the closest connections to fair trade and associated knowledge, training, and participation are those already in positions of more significant control and influence locally. This analysis supports the arguments presented earlier in this thesis of North (1990) and Peet (1999) that in real world contexts imperfect knowledges exist and that restricts disempowered members of society obtaining control and influence from knowledge. Furthermore, this analysis through a politically engaged PAPN framework contributes to the arguments related to knowledge and power by highlighting that knowledge alone is not a guarantee to empowerment. Even when some members of society are presented with information, such as the two employees elected to the FPC, if they are socially and politically subordinate then they will be restricted from using that knowledge towards self or community empowerment aims.

Having established that an uneven social and political context shaped awareness and participation asymmetries, the next section explores the impact of that situation on the distributions of benefits received by KCGL members from fair trade, principally FSP receipts. The discussions below support arguments related to the influential role of embedded unequal formal and informal hierarchies of control and influence in the Kasinthula producer community restricting access to financial and political empowerment by those most disempowered before certification.

## **6.4 Fairtrade and widening gaps between landholders and non-landholders**

Acknowledging in this case study that there is no Fairtrade price paid for sugar, this section focuses on the one financial mechanism in this case, the Fairtrade Social Premium (FSP). I present and analyse a series of contrasting experiences to illustrate differences in perceived benefits and associated empowering impacts since Fairtrade certification. Later the discussion also focuses on interpreted impacts and perspectives associated with the hired labour standards of Fairtrade.

### **6.4.1 Empowered landholders**

The 282 farmer members of Kasinthula as ‘owners’ of plots of cane land receive a fixed monthly income of 12,270 MKw (US\$ 88.00) irrespective of yield levels



obtained by the company from sugar harvested from their plots. All employees receive a salary from the company, KCGL. For instance, cane field workers' monthly incomes range between from 3–5,000 MKw per month (US\$ 21.5-37.0). Positioned at these different levels of income from involvement in sugar production at Kasinthula, participants were asked whether they felt fair trade (as they defined it) had met their expectations.

Of the farmers interviewed, 89% said fair trade had delivered on their expectations, principally because incomes had increased significantly with use of fair trade money. In the absence of a Fairtrade price for sugar, farmers were probed to explain how their incomes had increased. Many responded that from receipts of FSP funds their lives had been uplifted. This contradicted the following statement made to us by the FPC:

The premium money is supposed to be used for development projects in the communities around Kasinthula. The rules governing the use of the premium money is that the money should not go directly into the pockets of the farmer but be used for community development so that even those that do not have sugar cane should benefit. (FGD2)

The contradiction between these statements suggests a gap between native informants on the FPC saying what they believe they are supposed to report to fair trade representatives versus a reality where self-interests regarding use of funds dominate potential common good benefits for a wider community of people. In further group discussions with some farmers, contradictions emerged between rhetoric and reality of this situation. The following quote from a group of male farmers suggests that the practice of paying farmers was not yet taking place:

The rules accompanying the premium money states that the money should not go directly to the farmers. Yet we have needs that are not met by the cash we get from sales. So if a certain mechanism could be put in place to ensure that we get an extra amount to enable us to meet some other needs especially that of education for our children. (FGD11)

However, discussions with a group of female farmers revealed acknowledgement of the practice of farmers on the FPC conflating with rules of the FLO by awarding all farmers with large percentages of FSP funds:

In the last month the farmers received MKw 91,000<sup>127</sup> each from premiums. Some have used the money to pay for school fees whilst others have bought moulded bricks to build better houses. (FGD8)

These quotes reveal three important points. First, some farmers did not want to reveal this practice that departs from FLO rules to external people who they see representing and governing fair trade. Second, the first statement suggests a lack of transparency and honesty among some members of the producer group. Third, some farmers clearly feel empowered financially to a point whereby they are not dependent on others for livelihood support.

Such findings are consistent with an argument in this thesis that producer groups are not homogenous and some sites of inequality and mistrust should be expected. Critiques developing in fair trade literature are supported by highlighting issues such as exacerbating existing stratifications when the Fairtrade approach grants responsibility for delivering benefits to one group, such as the FPC of farmers discussed above. For instance, Dolan (2008: 312) argues that ‘by ascribing moral considerability to certain identities (land owners, men, those with resources to mobilize community support), Fairtrade risks creating a privileged space, where only certain concerns are aired, legitimized, and addressed’.

The sense of economic empowerment experienced by many farmers from their more privileged position is reflected in the following examples. The first examples are from farmers who were living in Chinangwa village where approximately 40% of the KCGL farmers and their families live. Some families had more than one plot with parents, sons, and daughters holding title to Kasinthula cane land in certain cases, including the Village Headman of Chinangwa and his wife as Kasinthula farmers. At a household infrastructure level, a female farmer who had been a plotholder for three years after inheriting the land title from her parents was delighted that with the extra Fairtrade money, when she said ‘I have managed to build a good house with iron sheets and cemented floor’.

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<sup>127</sup> A one-off payment of MKw 91,000 equals US\$650, approximately four times the average annual income in Malawi.

In a similar situation, one young male farmer who had also inherited a plot of cane land three years earlier was excited about the benefits Fairtrade had brought to himself and his village. He summarised by saying, 'I am benefiting a lot from the development being facilitated by fair trade and because of the Fairtrade money I receive my life is much better than before'. Like others I quote from Chinangwa, he was excited that through fair trade his village had new boreholes and electricity infrastructure was being built. On a personal level he was now attending school (and therefore not working many hours in the cane fields). As he explained, 'with Fairtrade I am able to pay school fees for myself and my sisters and to also support my family'.

The issue of school fees was a common factor raised in many interviews. In Malawi eight years of primary education is free to all citizens. However, due to a combination of factors including limited school facilities, long distances between many villages and the nearest school, and restricted family finances to support children going to school, attendance is often low. As discussed in Chapter Four, as a result illiteracy levels are high, particularly in rural areas.

The number of issues increases at secondary school level. A government school costs approximately MKw 7,000 (US\$ 50.00) per term, so MKw 21,000 per year. A private school may cost at least three times that amount.<sup>128</sup> For households with monthly incomes of MKw 5,000, the amount employees earn, for instance, affording such fees is impossible. However, for farmers the additional income courtesy of Fairtrade sales or credit access through KCGL enabled some to afford school fees or associated costs to send either themselves or relatives to school. That represents a positive impact from fair trade relations for them.

Others who also emphasised livelihood empowerment through ability to pay school fees included one young male farmer who had been a plotholder for ten years, since the age of fourteen, and whose parents were also plotholders. With the extra money from Fairtrade covering education costs he stated, 'the allocation of our money is bigger than before. Because Fairtrade has taken over payment of school fees the

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<sup>128</sup> All school data courtesy of an interview with a Chikwawa District Officer, May 2008.

amount of money I have is greater than before'. In his case the extra financial empowerment enabled him to expand a business of buying and selling goats.

In another example, one elderly female farmer who herself had not been able to go to school was pleased that through Fairtrade helping farmers with money for development she was now able to send one of her granddaughters to school. She explained that 'my granddaughter was not passing her exams in a public primary school. But with Fairtrade I have sent her to private school and she is now in standard 5. It is a better improvement'. This reflects a positive empowerment impact when additional money from Fairtrade is used towards the interests of an individuals' family.

The examples presented so far reveal some interesting findings that support arguments in this thesis. For instance, the concentration of titles to landholdings among certain families and those connected to local leadership structures demonstrates the influence of an embedded neopatrimonial state in this postcolonial context on determining allocation of land titles. Second, from such a position many farmers have received significant sums of money, creating islands of prosperity (Eberhart, 2006) with which to improve the lives of themselves and their families. Third, descriptions of fair trade as something to assist farmers for economic development suggests a continuing dependency on external global production network parties revealed earlier in this chapter.



**Figure 6.14 Chinangwa village – contrast of housing infrastructure.**

Source: Author's photograph

Spending time walking around Chinangwa it was very evident which households had received the larger sums through Fairtrade. Houses with iron sheets, cemented floors, and new brickwork were in clear contrast to the traditional thatched roof housing found in the village (Figure 6.14). In addition to building materials, many farmer households had plots for growing other crops such as rice and maize for consumption or sale to others. The general feeling of better livelihoods as a result of Fairtrade was summed up by the farmers on the FPC:

The farmers have been empowered as now they can support themselves and their poverty has been alleviated. We now have good houses, adequate food and can educate our children. (FGD2)

Referring to the postcolonial context presented in Chapter Four, the farmers can be considered non-estate elite among Kasinthula producers in that they have title to plots of cane land and some are directly related to local leaders. Furthermore, they each receive a guaranteed income from that land regardless of the number of hours that they spend working on their plots or the yields produced from their plots. In addition, the portions of FSP funds granted to them have clearly impacted on their lives and those of their dependents. That experience based on elite capture of greater levels of awareness and participation in matters related to fair trade is in contrast to that of many employees, as the following section details.

#### **6.4.2 Excluded subordinate non-landholders**

The material benefits being enjoyed by many farmers were not lost on some employees interviewed. Many expressed a feeling that the gap between farmers and employees had widened as a result of the benefits brought to farmers through fair trade. While farmers were receiving extra incomes from the FSP, the majority of permanent employees interviewed said fair trade had not brought anything to them, principally because wages had been unaffected. A feeling of exclusion and subsequent frustration at this situation was expressed when discussing the matter with a recently formed workers' committee:

Fair trade sidelines the workers. It is the worker who is looking after the crop in the field and therefore plays a crucial role in determining the yield at the end of the season. Therefore it would be in the interest of the farmers and communities as well as the company if this group is considered. (FGD5)

Similar frustrations were voiced by employees in one-to-one interviews. For instance, one employee with nine years of service at Kasinthula and promoted to the level of irrigation supervisor complained, 'the percentages which the farmers receive are not spilling over to the employees'. Another employee with nine years of employment at Kasinthula requested that, 'fair trade and the committee should consult with us employees to hear our concerns and also share with us the money that they [farmers] receive as a premium'. This suggests that only native informants are being consulted by fair trade personnel suggesting a shortcoming of not attending to matters of hierarchy and inequality between different producers.

Following the expressions of frustration related to exclusion and discrimination in one-to-one interviews, a continued sense of 'them and us' was emerging between those seen to be participating and benefiting financially and those not. In group discussions that followed, employees were asked what priorities they would give to FSP allocation if they were entrusted to do so. Unsurprisingly they prioritised employee needs as the following quotes from group discussions reveal:

If there could be that chance then the money should be first allocated to the workers in the field. This is the group that is being sidelined. Secondly the money should be allocated to community development especially water development. And for third would be training for workers. (FGD6)

Fairtrade money should be used to increase salaries and then loan opportunities for the workers. If workers are happy they would work diligently and yields may rise. Also if the workers' well-being is improved they will have adequate food and therefore would become a stronger labour force for the fields. (FGD7)

As the ones working most hours in the field to produce and harvest the sugar cane that produces sugar for Fairtrade markets, frustration and disappointment from exclusion from fair trade benefits was clearly apparent. These sentiments were most keenly expressed by seasonal employees. For instance, discussing their position at Kasinthula, one group passionately stated, 'nobody represents us. We are just being oppressed. We send grievances but the bosses are not listening to us' (FGD3). A second group of seasonal employees expanded by explaining that, 'for nearly eight years we have been receiving the same money each year so the conditions are deteriorating' (FGD4). In the same group discussion one participant explained the situation regarding their limited financial power. Those who travel from other districts to Chikwawa normally borrow money from informal lenders at interest rates as high as 50% to cover travel expenses. The majority of their wages then go to pay off such loans and the remainder to families who, as a result, receive small amounts of money.

When asked about addressing their concerns, this group outlined that, 'if we complain there are threats that we may be dismissed so we just work because we don't have anything to do' (FGD4). In addition to offering perspectives that suggest little if any financial or social development impact had been experienced, many employees through statements such as these were highlighting the hierarchies and strata embedded at Kasinthula. Revealing such uneven levels of control and influence dismisses imagined notions of equal and cooperative producer communities imbued in social development models. In this case embedded sites of unequal governance prevented many employees from having a voice to be heard by their employers.

This evidence contributes toward a growing critical literature on realities of unintended consequences of increasing inequalities that has emerged from other case study research. For instance, Getz and Shreck (2006: 498) suggest 'attention to the experience of certification at the level of production also reveals the unintended consequence that production for the Fair Trade market could actually exacerbate the

socio-economic inequalities that exist locally'. Likewise, Dolan (2010: 8) found evidence that 'there is the potential to exacerbate rather than ameliorate the gap between the haves and have nots'.

In part it seemed the lack of ability to voice concerns was due to the unique structure of KCGL where the company employ labour and pay their wages, but they work day to day for the farmers who own the plots of cane land. Also, as one young father of three with ten dependants who had cut cane for two seasons revealed, 'we are employed by the management but they see their bosses as the farmers. So when we present problems to our supervisors the company say they can't do anything without the blessings from farmers'. This reflects a clear example of the level of control and influence held by a relative minority who own title to land and positions of power on committees and local leadership structures. It also highlights a need to be more attentive to such uneven governance contexts.

Discussing working conditions with employee participants, in one-to-one interviews almost all (93%) permanent employees stated that support from KCGL had stayed the same in recent years. Of the eight seasonal employees interviewed in this format, four stated their conditions had remained the same, and four said they had deteriorated. The sense of frustration regarding working conditions was exacerbated when the conditions at the non-Fairtrade certified Illovo plantation located close to Kasinthula were discussed. This prompted one group of seasonal employees to reply

Employees at Illovo have better conditions; their payment is above our payment. We have friends in Nchalo and they are paid per tonne they cut. So anything above the minimum tonnes per day that they cut is a bonus for them. There is no such thing as a bonus at Kasinthula. Therefore wages are at least 25% lower than those for Illovo.

This is a significant finding and one that I heard on numerous occasions. Both the company and the farmers were aware of this issue but cited financial constraints of the heavily indebted KCGL business preventing them from being able to offer higher salaries to employees. In this negative financial position KCGL was unable to meet the same wage and employment conditions offered by the larger foreign owned Illovo plantation 20km down the road. Given the level of debt this is a valid point, however,



there is a need to challenge the situation of a Fairtrade certified organisation offering lower salaries and conditions versus a non-Fairtrade certified plantation.

The finding above also reflects a sense of disempowerment of non-landowners, some who migrate to the region, to get work where they can. Summarising the feelings regarding this situation one young male irrigator complained, 'the work is too much and the income is too low so it is not fair'. Fair trade had little meaning or impact in the context of salaries and working conditions of many employees. Referring to the failure of both Kasinthula and external fair trade people as being responsible for failing to address the issue of their perceived poorer working conditions, one group of permanent employees complained, 'there is nothing really that has been done for the workers' (FGD6). Supporting this, one irrigation supervisor who had worked for KCGL for eight years stated, 'Kasinthula as a company is benefiting the farmers more than the workers and the community'. Such comments reflected an embedded sense of hierarchy; those with existing power through title to land and influence in local decision making structures are benefiting, but the rest are excluded.

Voicing the desires and needs of employees to be heard by fair trade people as those who are viewed with an ability to bring change, one employee with ten years service at KCGL since the age of fifteen pleaded, 'as employees we also need to be certified people with fair trade because we work in the fields and we don't receive any benefits. It is hard to work in the dangerous fields and it is easy for us to suffer from various diseases'. This comment and others like it reveals a continued dependency on external agents to bring change to livelihoods, and evidence that to date fair trade through Fairtrade certification in this case has not penetrated to empower those with less influence at Kasinthula. Again this foregrounds challenges related to trusteeship and empowering others identified in Chapter Two.

One of the employees recently elected to the FPC explained how he thought some needs could be addressed:

What I would really like fair trade to do for workers at Kasinthula is facilitating for an increase in salaries. If a certain amount could be set aside to be used by workers then maybe we would have enough to sustain ourselves and our families. We would be able to build good houses making good

sleeping space, having good and adequate food as well as putting our children into good schools.

The things that some employees were hoping to be able to invest in are the same things that some farmers had been more able to invest in for some years; housing, sufficient food (maize stocks), and savings or credit for school fees. Expressions such as these in interviews suggest a frustration of not being heard, or being considered the subordinate classes at Kasinthula.

Among other members of KCGL there was some recognition of the plight of employees. For instance, when asked in what ways the FSP should be allocated, one female farmer in a focus group discussion commented, ‘for those who are seasonal cutters, they have poor housing and it is important that they too ought to be helped’ (FGD8). As already highlighted, FSP receipts to Kasinthula were already significant by 2008. Arguably then, some of those funds could be set aside to boost employee wages. However, as the FPC is empowered to decide the destination of those monies, it is a matter of how willing that committee (controlled by a few influential farmers) is to spend the money in that way. Unintended consequences of instances of elite capture and limited transparency reflect a shortcoming of an assumption in the Fairtrade model that through co-operative processes all producers will be expected to benefit from such financial premiums.

Moreover, there are different interpretations of FLO standards regarding what the money should be used for. As Kasinthula’s HR manager explained to me

Different external people from different countries interpret and understand fair trade differently. Therefore they give different messages to farmers which cause confusion and can make problems worse. Because of messages that fair trade equals increases in income, farmers take some of the premium money to boost their incomes.

The lack of clarity surrounding the use of FSP, and the particular interpretations in this stratified place, seems to inhibit the possibility for some FSP funds to be set aside for hired labour wages. The issues of hierarchy and status also emerged as a factor related to uneven and unequal incomes at Kasinthula. One revealing quote from a male farmer in a focus group discussion highlights the point:

Some workers of course are getting very low wages. This is because there are different categories regarding salaries. Salaries are based on qualifications.

The lowest paid are the unskilled labourers and these are given the minimum wage. (FGD10)

Analysing data accrued regarding levels of formal education reveals that on average employees had achieved higher levels of formal education. One particularly interesting statistic to highlight from Table 6.1 is that 40% of farmers interviewed stated they did not go to school. One possible reason for that is the higher average age of farmers.

Academic level achieved	Farmers (n=47)	Permanent employees (n=47)	Seasonal employees (n=8)
Standard 1-5 Junior Primary School	23.4%	31.9%	62.5%
Standard 6-8 Senior Primary School	17%	34%	25%
Form 1-2 Junior Secondary School	12.8%	12.8%	12.5%
Form 3-4 Senior Secondary School	4.3%	12.8%	0
Did not go to school	40.4%	6.4%	0
Higher Education	2.1%	2.1%	0

**Table 6.1 KCGL producer formal education**

Source: Author's data

Such data highlights the influence of formal political and informal social institutions such as hierarchies and social class, rather than human capital factors such as formal education levels, in determining controlling positions and higher incomes. Therefore, only targeting 'power to' programmes such as training and education through technical elements of people-centred development approaches has limited impact when those targeted are restricted from affecting 'power with' by an embedded uneven institutional environment. This evidence supports feminist and post-Marxist critiques (Longwe, 2000; McEwan and Bek, 2006; Rowlands, 1997; and Sweetman, 2000) discussed in Chapter Two that despite political aims, community-based projects often have apolitical impacts, neglecting issues of exclusion and discrimination.

With variations in status linked to direct relations with local leadership hierarchies, residential location (for instance Chinangwa village versus the employee camp), and

selected participations on various KCGL committees, it cannot be said that all farmers feel they have benefited and all employees have not. However, the evidence presented here reinforces an argument that there are significant disparities between livelihood impacts appreciated by those already holding more control and influence through title to land. That again is a reflection of the influence of embedded postcolonial production network institutions and legacies on shaping awareness and participation levels and subsequent uneven material benefits to different producers. In terms of community models and theories, findings such as these challenge assumptions made regarding imagined cooperative, harmonious, and equal communities leading to unintended uneven consequences. Instead, a greater focus on the uneven social and political institutional environment in this case leads to an enhanced appreciation of the nuanced circumstances (such as elite capture) that shape how fair trade is experienced in different ways when Fairtrade people-centred rules enter such a context.

#### **6.4.3 Fair trade corrective measures: addressing working conditions**

As the fair trade movement and Fairtrade certifications have expanded into more agricultural commodities and low income country contexts, there has been recognition of a need to incorporate issues related to hired labour in Fairtrade standards. To that end the FLO created a set of hired labour standards to be applied when sourcing from a larger-scale plantation. As more cases of smaller-scale producers using hired labour emerged, the principal elements of hired labour standards have been incorporated into small-scale producer standards. These changes to Fairtrade standards occurred during the period of this research. In this chapter I refer to the most recent standards (FLO, 2009b).

From the voices of employees presented and analysed so far all stated that there had been no impact on their wages, conditions, or abilities to voice their concerns. However, since Fairtrade certification and more recognition of the issues facing many employees there were beneficial impacts for employees that were highlighted in some interviews. Probably the most significant was the establishment of a workers' committee to represent all employees to the management team of Kasinthula. As the General Manager explained, 'the hired labour standards of Fairtrade have reactivated a workers' committee. The committee of ten now meet regularly with our new HR manager and we hope with better dialogue issues can be resolved more effectively'.

When I met with the workers' committee they explained that since raising concerns regarding their terms of employment and working conditions, some negative practices were being phased out:

What has greatly changed is the exploitation that was very rampant in the fields. People were given jobs after paying a bribe. Some people would be given holidays upon agreement with supervisors without any penalties. All these problems are now being curbed as the oppressed have voiced out their concerns and such practices will soon no longer be common. (FGD5)

The General Manager of KCGL also pointed out that each permanent employee is now receiving a formal contract. This positive step was also recognised by the workers committee when they explained, 'there were also problems where workers in the field were threatened through dismissal for trivial issue. Workers did not have work security but now things are changing as we get contracts' (FGD5).

This example suggests that a focus by those external parties controlling Fairtrade on the limited voice of hired labour at Kasinthula has resulted in a degree of empowerment of some employees. The establishment of the workers' committee provided a forum through which previously constrained voices could be heard by their employers. However, it would require further research over time to explore the extent to which that increased opportunity to voice results in increased control and influence over livelihoods, particularly since some of the employee perspectives presented above do not reflect an increased ability to have a voice and be heard.

In discussions with the FPC they also explained that as a result of corrective actions of the 2007 FLO audit more attention was focussed on employee conditions. Some funds were set aside to provide new uniforms and to construct new toilets in the fields to improve sanitation standards. On the subject of provision of uniforms and equipment to work in the fields, the workers' committee and some employees said that they had started to receive some new equipment. For instance, members of the workers' committee reported, 'we have managed to push management to buy us uniforms (working gear), an issue that has been overlooked by management for more than three years' (FGD5). Furthermore,

The work we do is risky and we need to have first aid equipment. There is also need to improve our housing conditions. However fair trade has brought a

borehole to the compound. This will remove the risk of waterborne diseases and reduce the number of times women have to draw water from the Shire river that is infested with crocodiles. (FGD5)

From this discussion there was a sense of some change countered with a call that more basic needs such as more secure housing were still to be met. Despite the statement by this committee regarding equipment provision, for others in one-to-one interviews it was still an on-going issue, as the examples in Box 6.2 demonstrate.

#### **Box 6.2 Employee quotes regarding equipment provision**

‘We have never received anything from Kasinthula since the past five years. It is only this year we have received gumboots and working suits. We used to work barefooted. It is dangerous because we can get bitten by snakes or wild dogs.’ (Male irrigator with eight years service at KCGL)

‘We do receive gumboots and overalls but it takes three years to receive working garments. It is very difficult for us to know how they plan allocation of work garments. I only have one pair of work garments. We are the ones taking part in sugar production but fair trade has not considered us.’ (Young male security guard with seven years service at KCGL)

‘I have only received equipment [overalls and gumboots to work in the fields] twice in nine years.’ (Young male guard who had worked since the age of fifteen at KCGL)

‘We only were given news about new equipment after the Kasinthula management heard that you are coming for interviews.’ (Male irrigator with three years service at KCGL)

‘I have just received new overalls, this is the second set in six years.’ (Young male irrigator, worked at KCGL since the age of fourteen)

‘We have just received gumboots this year but this is only the third pair in eight years.’ (FGD3)

‘Our working conditions are not good. There are four toilets which are still being constructed. They say our salaries will increase but we don’t see the money.’ (Male employee with ten dependents, eight years cane cutting service)

‘Since 2000 I have been provided with a pair of gumboots, that is all.’ (Cane cutter who travels 100km from Nsanje each season for the past eight years)

The perspectives offered in Box 6.2 came from a range of employees, some with more years of service, some living in the district, but all highlighting issues regarding shortcomings regarding equipment provision. Furthermore, there was also a

suggestion that it took the arrival of an external agent (me) with perceived influence regarding fair trade to prompt changes to equipment provision. This reflects a continued dependent and subordinate relationship between the producer group (KCGL) and those still seen as controlling decisions in global production networks (fair trade representatives and sugar buyers).

The last three comments highlight discrepancies still felt by some seasonal employees regarding salaries, equipment provision, and working conditions. Such discrepancies were often related to feelings of exclusion, in particular by those seasonal employees who travel from other places to work at Kasinthula. One such migrant employee emphasised these feelings by saying, ‘we are not part of any community here, as employees we are just taken as foreigners’. A similar sentiment was expressed by a group of seasonal employees who said, ‘our relationship with farmers is poor. Though there are no direct squabbles but we are not recognised, we are taken as slave’ (FGD4). Such statements foreground a need to deconstruct low income producer communities to reveal heterogeneity and inequality within imagined harmonious and cooperative groups of producers.

Despite grievances expressed, through stipulations of fair trade personnel an increased focus on employee issues was evident. As one irrigation supervisor succinctly stated after eight years at KCGL, ‘fair trade has had a positive impact on relationships because from this year we are now being considered as a group which is supposed to benefit’. However, to put this in context, such corrective measures to alter employee conditions first appeared five years after Fairtrade certification of KCGL. Also, even though some conditions have improved and a workers’ committee established, some employees continued to feel excluded from such progress, particularly those who do not live permanently in the district. These findings progress an argument that formal institutions imposed from externally determined standards, for instance the formation of a workers’ committee, do not necessarily lead to greater social justice (Hughes, 2001). For example, through a lens of gender, Smith et al. (2004) found instances of excluded and under-represented workers despite the formation of a workers’ committee. In the case at Kasinthula, embedded institutions such as hierarchies and subordination, revealed through postcolonial and post-Marxist lenses, inhibit participation and representation.

## **6.5 Conclusions: the importance of place**

This chapter has revealed grounded realities of varied lived experiences of fair trade since Kasinthula has been Fairtrade certified versus rhetoric of fair trade expectations and promotions. Problematising the language of producer communities in fair trade approaches, despite recognition by the FLO of needing to account for the nuances of different contexts, this chapter suggests more can be done to account for the characteristics of an embedded uneven and unequal institutional environment that shapes unintended consequences of fair trade experiences.

The evidence presented and interpreted suggests one group (farmers) are participating and benefiting disproportionately more than other producer members of Kasinthula. There were clear expressions from some cane farmers of improved incomes, access to financial credit, and to training to improve business and crop management skills. In contrast, there were many instances of frustration by other producers regarding exclusions from fair trade processes and benefits. While it would be unfair to suggest that fair trade should be able to meet the needs of all producers, it is important to highlight unequal experiences to demonstrate the important role of an embedded institutional environment that shapes uneven levels of awareness, participation, and benefit.

Earlier in this thesis challenges facing fair trade were presented. One was not to be blind to social and political stratifications in production places. Employment of a politically engaged postcolonial reflection has revealed a number of shortcomings related to this challenge resulting in unintended consequences since Fairtrade certification. Introducing fair trade rules into a specific context with limited appreciation of embedded social and political strata and unequal wealth distributions has resulted in instances of deepening exclusions and inequalities. The differences in levels of knowledge, participation, and connections to fair trade processes between farmers as landowners and employees as hired labour appear to reflect their respective positions within the organisation.

Analysing asymmetries in knowledge obtained, participation in fair trade processes, and in subsequent financial and human capital benefits among different producer members at Kasinthula has also revealed a widening of influence and wealth gaps



between and among producers. Only a small number of relatively elite farmers in this producer community control and influence decision making and wealth distributions, and the entry of fair trade processes have reinforced that status. Therefore, more power has gone to those already relatively more empowered to act locally and control their livelihoods.

The first lesson to suggest from this chapter is to be more attentive to local social and political strata when introducing mechanisms such as the FPC. The second is to reduce assumptions of homogenous categories of producer communities in fair trade processes and representations in cases when producers can be differentiated by categories such as landowners, permanent or seasonal hired labour, and a range of other categories such as gender and social class. These lessons and arguments extend a suggestion of Mendez (2002: 24) ‘to bring more significant and equitable benefits to small producers, fair trade networks need to better account for the heterogeneity that exists within the cooperative sector’ to reduce unintended consequences.

Referencing contextual factors from Table 4.4, analysis of findings and interpretations through the central elements of a critical PAPN framework in this chapter has demonstrated the influential role of a complex postcolonial geography, place-based specificities, and embedded political and social formal and informal institutions in mediating fair trade impact in context. Embedded hierarchies, exclusions, and elite positions have shaped fair trade experiences in ways that arguably deepen exclusions and inequalities locally. Two themes that emerge from critiques of blindness and assumptions of producer communities are unable and unwilling agents to deliver empowerment expectations of fair trade. Referencing these critiques and other constraining factors presented in Chapter Four, the next chapter analyses and discusses the influence of encountering unable and unwilling agents on restricting individual and collective empowerment aims.

## Chapter 7

# Encountering unable and unwilling agents of empowerment

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### 7.1 Introduction

This chapter explores inhibiting factors to empowerment expectations associated with fair trade. Notions of unable and unwilling agents of empowerment are developed to frame the discussion, two themes that emerged in the analysis of unintended fair trade consequences in Chapter Six. The discussion is supported with reference to research participant quotes and findings from other published fair trade research. Leading to the concluding chapter of the thesis, this chapter builds an argument that some empowerment aspects of fair trade such as social responsibility should be considered as luxuries due to the constrained, low income contexts in which producers are embedded.

The first section presents perspectives of producer participants as both direct quotes and numerical frequencies to understand fair trade impact on incomes and livelihood opportunities. This analysis is supported with reference to a range of factors related to a restrictive geography presented in Chapter Four. I argue these factors inhibit the majority of Kasinthula's producers, as either individuals or a small-scale producer group, from being able to empower themselves or others dependent on their incomes.

Referring to the configuration of different producer actors, and continuing the deconstruction of assumptions of producers and community, the next section presents some members of the Kasinthula scheme as unwilling agents of development. Referencing interpretations of fair trade as a set of rules with social responsibility

expectations of producers, and employing the lens of governmentality to focus on exercise of power, this section discusses tensions between individual and community needs and rights.

That discussion reveals challenges when encountering low income producer groups. The challenges relate to a need to alter expectations and assumptions of producer groups, their members, and the producer community to be engaged in fair trade relations. The chapter concludes with a reflection on expectations placed upon constrained and dependent low income producer communities and of shortcomings of expecting philanthropic responses from others through fair trade. This includes a discussion of lessons to be learned to more sufficiently account for low income and hierarchical contexts.

## **7.2 Unable agents: constrained producers**

Three central elements to the small producers' organisations standards of the FLO aim are to affect social development, socioeconomic development, and labour conditions (FLO, 2009).<sup>129</sup> In Chapter Six I discussed shortcomings regarding exacerbation of exclusions and inequalities since the introduction of Fairtrade standards to effect social development (through promoting practices such as democracy, transparency, and equality) and fairer working conditions. I argued that the varied lived experiences of these aspects of fair trade are shaped by unequal levels of control and influence over decision making processes. In this chapter I focus on fair trade aims to effect socioeconomic development in the uneven social and political context at Kasinthula.

In fair trade and other people-centred development approaches, socioeconomic development is normally expected to occur through employment of 'power to' technical approaches. Referring to Table 5.4, tools to improve individual and community livelihoods include paying fair prices to increase producer incomes, improving access to financial credit, and provision of social premiums towards investment in producer and community development projects.

In this section I continue the theme of exclusions and inequalities by referring to uneven wealth geographies that inhibit some producers more than others from being

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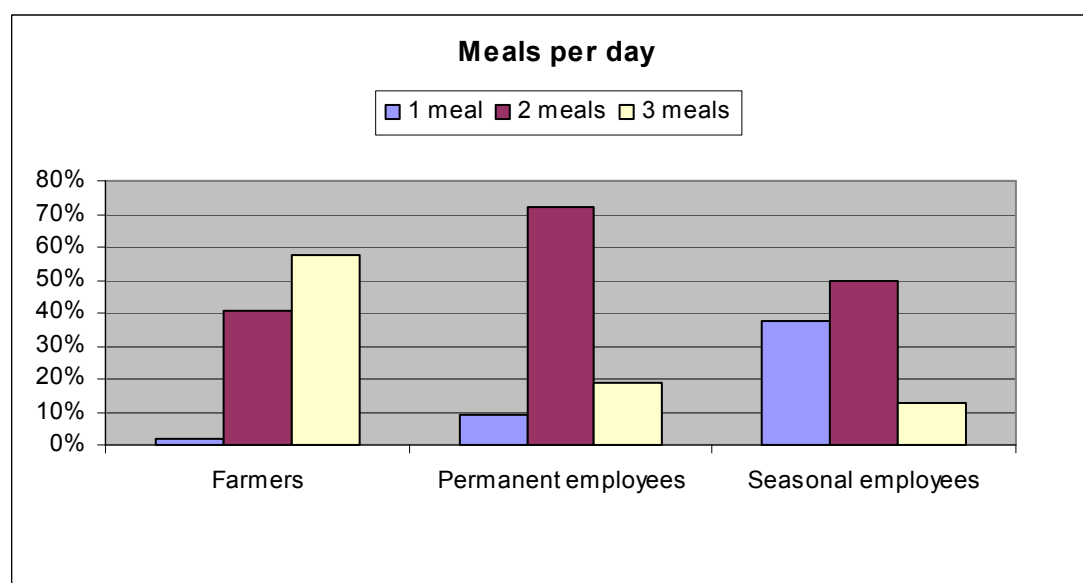
<sup>129</sup> The fourth element, environmental development, is beyond the scope of this research.

able to empower through investment in self and dependants' livelihoods and well-being. The discussion of constrained producers begins with an analysis of a range of individual producer financial circumstances and livelihood options. That is followed by a review of other constraints on producers as individuals and as a group of dependent outgrowers.

### 7.2.1 Unequal abilities to feed a household

The average household size in Malawi is 4.5 people (NSO, 2005). Therefore, on average, someone earning an income has to provide sufficient basic needs such as food and shelter to at least three dependants. This national statistic is reflected in the findings of the data sample of this research. On average farmers stated they had 4.5 people dependent on their income and permanent employees stated 4 people. Of those interviewed, only one employee said his spouse was also an income earner and two farmers said likewise. This emphasises the importance of incomes from the Kasinthula scheme to those who participated in this research.

One way to obtain an impression of income levels to meet household or dependants' needs is to ask how many meals per day a person can provide for his or her family. Figure 7.1 presents a graphic portrayal of the diversity in abilities to provide more than one meal per day among the different producers at Kasinthula.



**Figure 7.1 Abilities to provide multiple meals per day.**

Source: Author's data

This data illustrates the disparity in economic well-being between farmers and the two categories of employees exposed in Chapter Six. The majority of farmers can provide at least two meals per day, often three, whereas the majority of employees cannot provide three meals per day, and often only one. This is not to suggest, however, that all farmers and all employees are equally able or unable to provide three meals a day, but position in this producer community does affect this ability.

### **7.2.2 Uneven producer incomes and credit access**

As I introduced in Chapter Six, there have been a number of success stories portrayed regarding the positive impact of fair trade on the livelihoods of Kasinthula's producers.<sup>130</sup> However, un-packing the category of producer at Kasinthula has revealed that there is a hierarchy of producers determined by factors such as landholding and relations to local indigenous leaders. Reviewing the portrayals of the Kasinthula story reveals that only farmers as landholders are referred to as the producers benefitting from fair trade. Discussing experiences related to incomes and access to financial credit with representatives from all sections of the Kasinthula producer group revealed a variation in levels of impact perceived. This section outlines some of those contrasting experiences to highlight the continued constraints on many of Kasinthula's producers from being able to empower themselves or others.

After establishing an impression of income levels participants were asked whether they perceived an impact on their incomes since Fairtrade certification. In response nearly all (92%) of farmers stated a positive impact, whereas 72% of permanent employees stated there had been no impact. Probing further to ask whether producers felt their incomes met the essential needs of their households, 60% of farmers said it was still insufficient and all employees stated likewise. Reasons cited include insufficient income to meet needs of families such as food, clothing, education, and health provisions. These frequencies reinforce the different experiences since Fairtrade certification by different producers.

One man with seven dependants on his income who had worked for KCGI for eight years explained how he lives far from Kasinthula and with no farmers living in his

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<sup>130</sup> For example see

[http://www.fairtrade.org.uk/producers/sugar/kasinthula\\_cane\\_growers\\_malawi/default.aspx](http://www.fairtrade.org.uk/producers/sugar/kasinthula_cane_growers_malawi/default.aspx)

village there have been no development projects connected to the sugar scheme. Regarding his ability to improve his livelihood, he complained, ‘my salary is too small to satisfy daily needs. Salaries should increase so more of us are able to meet more needs and benefit from fair trade like farmers are doing’. This example reflects many presented in Chapter Six regarding employee frustrations of both limited income and seeing other producers (some farmers) benefiting more from fair trade processes and relations. In that chapter I discussed the influence of an uneven social and political geography that led to landholders receiving much higher incomes compared to non-landholders.

In addition to affecting income levels, another method in people-centred approaches to enhance livelihoods of those receiving low incomes is to facilitate access to more affordable financial credit for saving or investment. As established in Chapter Five, one element of the Fairtrade certification model is to improve access to credit to low income producers. When asked whether participants have access to affordable financial credit, 55% of farmers said they had been accessing credit for some years and a further 20% were confident they would be able to access credit soon. In contrast, 40% of permanent employees have never had access to affordable credit but 40% were hopeful of accessing soon.

After establishing these general themes of some participants receiving higher incomes and better access to credit than others, those interviewed were asked to describe in more detail the impact of their individual financial situations on their abilities to provide for their families and enhance their livelihoods. One man who had been employed for five years as a cane guard explained he had three others dependent on his income to meet basic nutrition and shelter needs. Discussing his ability to meet those needs he complained

My income is not a fair return for my work. I also sell some of my own produce and offer ganyu<sup>131</sup> to help meet my family’s needs. As employees we are still crying with our low incomes. The money is not enough to do anything apart from buying necessities at home.

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<sup>131</sup> Ellis, et al. (2003) define ganyu as casual labour sold for cash by the less fortunate to better-off farmers.

In this case there is an admission of how it is necessary to find alternative means of income to meet essential family and dependants' needs in addition to the income received from Kasinthula. Expressing a similar point, a trainee supervisor with seven dependants on his income complained that despite five years of working in the fields

My financial muscle is small so I also offer ganyu for more income. We stay with my parents to combine resources. Employees' salaries are still as they were five years ago. We are hoping to access credit soon from the company and fair trade committee but we have not had any so far.

In such situations it is difficult for those on low incomes to consider empowerment as hoped for through mechanisms such as Fairtrade. As another man who had worked for five years at Kasinthula explained, 'with a low income it is difficult to change our circumstances. Much of my time is spent working for Kasinthula such that to do other things is hard and the return from our effort is low'. Similar individual stories were echoed by other producers, principally permanent and seasonal employees, but also some farmers. The pattern regarding who appeared to have more access to financial credit was also shaped by the uneven geographies of sugar plotholding entitlements.

To enhance an understanding of what participants believed was preventing them from improving their livelihood situations, and therefore what was inhibiting empowerment as they defined it, conversations led to some explanations. For instance, the man who offered the last quote above continued to explain that he would like to be able to buy livestock and pay towards school fees for his brothers and sisters. As he had not been able to complete his primary school education, he was hoping that some of his family members could. However, with no disposable income or access to affordable credit to invest in such activities, he expressed frustration at this situation.

Themes of varied abilities to buy livestock, build better houses, and pay for school fees as ways to improve livelihoods and empower individually emerged in many interviews. The cases presented in Box 7.1 represent a few of the many examples of inability to invest in these activities. I present their ages, number of dependants, and occupation to present a spectrum of participants emphasising inabilities to affect their situations.

### **Box 7.1 Unable to invest in livestock, houses, and school fees**

A 26 year old irrigator employed for nine years at Kasinthula with four dependants stated

‘With my low income I cannot build a house or buy livestock to be sold. Just last week I heard that we can hope to access credit soon, maybe loans of MKw 5,000’. (This amount was equivalent to US\$ 35.00 at the time of research, higher than many monthly salaries of employees).

A 35 year old cane guard who had worked for eleven years at KCGL after not being able to go to school presented a request to fair trade:

‘My monthly income is a low return for my effort and I can’t do any development with this. I would hope to access loans to buy livestock as my security in times of need. At least fair trade should consider helping our salaries to increase’.

A 66 year old irrigator who had worked for four years at KCGL was happy that he had a job but was frustrated that he also had to do other work in addition to the six days per week working in the cane fields:

‘If they (fair trade) can help us establish a loan scheme so that I should be able to buy livestock and do maintenance to my house that would be good. Currently my low salary means I also offer ganyu by doing thrashing work’.

A 25 year old man employed as a cane guard for nine years at KCGL, with six dependants on his income explained

‘Our salaries haven’t changed and we are yet to access credit. My low income is not allowing me to build a good house or buy livestock’.

A 28 year old cane guard employed for eight years at KCGL and had not been able to go to school defined unfairness from his position living in Chinangwa village that occupies many farmers:

‘With my low income and no access to credit I can’t think of investing or saving. Our money is not fair because we expected to benefit like farmers are enjoying’

A 55 year old cane cutter who had travelled to Chikwawa to work at Kasinthula for eight seasons explained that with ten dependants on his income

‘I have no other options to increase my low income. We have never had a chance to access credits. With loans I could improve living conditions for my family. No one can grow or start a business on our low salaries.’

A 34 year old irrigation supervisor, employed for nine years at Kasinthula, with four dependants expressed

‘I would like loan opportunities to build a good home like we see some farmers doing.’



Analysing the examples in Box 7.1 reveals a number of points. First, presented situations of unfairness are expressed with appeals to fair trade as an imagined external organisation that should be able to increase salaries and provide loans. In such situations there are no expressions of ability to be able to empower themselves or their dependents due to weak financial circumstances. The message to those in charge of fair trade from these quotes is that improving financial circumstances of all producers should be the first priority, something that has not been experienced by many in this case. The evidence here also highlights the influence of a dependency culture on others to assist in this postcolonial society.

Second, tensions are evident as those unable to empower themselves through livelihood investments are envious of other producers whom they see benefitting from higher incomes and better opportunities to access loans. With clear hierarchies determined by land ownership, local leadership structures, and subordinate culture identified in Chapter Four, those in less influential positions wanted to express their perspectives that to date have not been represented in fair trade literature. The deconstruction of who the producers are and who constitutes the producer community in this case continues to reveal these uneven experiences.

At the beginning of this section I explained that 60% of farmers interviewed said their incomes did not meet their needs. However, probing further into the perspectives they offered reveals that in some form all farmers said that the extra money from fair trade was their way of meeting essential needs and ability to invest in other livelihood enhancement activities. As the selection of examples in Box 7.2 highlights, with receipts of significant sums of FSP money farmers have been able to invest in the things that those in Box 7.1 expressed as desires to be able to invest in.

### **Box 7.2 Able to invest in livestock, houses, and school fees**

A 44 year old male farmer who had held title to a plot of land since KCGL was formed and living in Chinangwa village with his wife and six children explained  
‘With more credit I have bought livestock, food, and iron sheets for my kitchen.’

A 24 year old Chinangwa based male farmer who held title to a plot of cane land since the age of 14 was happy to state that  
‘I have built a house, able to buy food without a problem, and I now have a goat business’.

A 59 year old male farmer, a member of Kasinthula for ten years, with five dependents described significant changes:  
‘With fair trade I have been able to buy some livestock and furnish my house. With the high premium and loans I can pay school fees to some of my children at better schools. It is very good’.

A 53 year old female farmer, a resident of Chinangwa, married with seven children identified a change in circumstances:  
‘Compared to five years ago I have bought some livestock and pay more school fees’.

A 72 year old Chinangwa based male farmer who held title to a plot of cane land since KCGL was formed, had two wives and sixteen children explained  
‘After being able to access credit for some years I have been paying school fees and opened a bank account to save money for future use. I am more able to assist my two families’

A 48 year old Chinangwa based male farmer who held title to a plot of cane land since KCGL was formed and was also a cotton and cassava grower to help provide for his seven dependents identified fair trade as a source of significant impact:  
‘With fair trade money I have been able to build a good house and pay school fees for my children. If the present conditions could continue I would venture into a business of selling cooking oil and dry fish. Fair trade should continue buying our sugar so that we can send our children to school further than we did.’

Most of the examples presented in Box 7.2 are from farmers who lived in Chinangwa village. In Chapter Six I discussed the relative high number of KCGL farmers who were living in that village at the time of research. In addition to the examples here, the majority of farmers who specifically expressed the ways in which fair trade had helped their livelihoods were those from this village. That is perhaps a reflection of

the relatively higher status fair trade represented to these farmers in a village that had received the most investment in water and electricity projects.<sup>132</sup>

It is also interesting to contrast the different perspectives of two residents of Chinangwa village of a similar age, one a plotholder and the other an employee. The experience of the 24 year old farmer in Box 7.2 who inherited a plot of land at the age of 14 is in marked contrast to that of the 28 year old cane guard in Box 7.1. Despite both having status as members of Kasinthula producing sugar cane, one has been significantly more able to invest in livelihood enhancement activities than the other. The difference in status between producers such as these has determined very different levels of income and credit access. Critical analysis of hierarchies, inequalities, and subordinate labour relations foregrounds how such differences manifest in an uneven local institutional environment.

### **7.2.3 Other empowerment constraints**

In Chapter Four I argued that when defining empowerment as a process to enhance capacities and abilities to act as economic and political agents, one of the significant factors constraining such processes is low personal income. The above analysis has shown how that is the case for many of Kasinthula's producers, in particular for many employees. In addition to low financial incomes, health risks and restricted access to formal education also contribute to livelihood enhancement constraints.

In interviews with constituents of the local production and development networks I discussed the issue of what principal factors inhibit those regarded as disempowered from becoming more empowered to take control and influence over their livelihoods. Representatives from Illovo, the KCGL management team, and local development consultants all cited low levels of literacy, limited capacities (skills and knowledge) to act, and local politics as significant barriers to choice and influence for the majority at Kasinthula to be empowered through fair trade. This point was summarised by a local NGO worker:

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<sup>132</sup> It should be noted that one reason for the investment in this village is because, of the villages in which Kasinthula producers live, Chinangwa is the only one that is not proximate to the main road running through this southern region of Malawi. It is located 3 kilometres from the road and lacks some of the livelihood supporting assets located close to the road such as electricity infrastructure and easier access to nearby markets.

Because of low literacy levels and local political structures, most people in rural Malawi are either not able or not informed to be able to make their own decisions. It is also impossible with an illiterate population to expect them to vote with knowledge of fair trade and related issues. Most people only vote for who they know or who talks the loudest. Poverty and democracy are a negative correlation. (NGO1)

From a postcolonial perspective some of the language from the discussions and quotes above can be critiqued for portraying stereotypes of helpless, poor rural African populations, unable to affect their situation without the assistance of others to come and educate them. However, when considering fair trade and associated criteria of engaging in local and international trade relations and local development activities, it is appropriate to highlight the fact that many low income participants are restricted in the opportunity to benefit from and participate in such activities. I argue this is a result of continued consequences of previous regimes of practice in trade and development (such as colonialism) embedding people in a restrictive context with limited ability to influence decisions affecting livelihoods and the trade of sugar. As discussed in Chapter Six, part of that context includes a majority population with limited experience or culture of democracy and, therefore, restricted in its ability to vote in ways expected by those who promote democratic institutions.

In support of the claim regarding restrictive effects of low education levels, in a synthesis of seven fair trade case studies, Taylor (2002: 11) argues

Several of the case studies noted ongoing problems of governance. Because of generally low levels of formal education among members, elected cooperative leaders face a very steep learning curve for which they have little formal preparation. For similar reasons, ordinary members in general assembly often find it difficult to understand and assimilate the information given them by leaders and technical staff.

Similar feelings were expressed in interview with the Operations Manager of a tea estate in Southern Malawi that processes smallholder tea for fair trade markets. This evidence is from an enquiry in that sector (Phillips, 2009) which I introduce in more detail in section 7.3. The issue of Fairtrade certification processes granting responsibility for business and local community development to low income smallholder tea farmers prompted the response:

Fair trade people are expecting first world education and business sense from a villager with very little education. Right now low levels of formal education are the biggest barrier. It is very difficult to expect poor tea farmers to understand fair trade in its fullest. There is too much expectation placed on people with very little education. There is a lot of complicated literature in English that without us to translate and work through no one would understand.

Issues identified here and in Chapter Six regarding low incomes, low levels of formal education, embedded hierarchies, knowledge and power asymmetries, subordinate populations, and trust issues all contribute to situating many low income producers into positions of being unable agents of development. This contributes to an argument being developed in critical literature of fair trade, for instance by Dolan (2008) and Luetchford (2008), who also discuss the constraining effects of landlessness and socio-cultural inequalities that affect access to resources and political participation in order to empower livelihoods through fair trade partnerships.

#### **7.2.4 Dependent outgrowers**

So far I have discussed inhibitive factors at the level of individual farmers and employees. There are also small-scale producer group factors that restrict empowerment abilities of low income producers.

As noted in Chapter Four, the levels of control and influence of KCGL as a producer group are constrained by factors related to a postcolonial agricultural economy where control of landholdings and value adding processes are in the hands of a few. In the territory of the local production network in which KCGL is embedded, the small-scale sugar producers are only involved in growing and harvesting sugar cane. All of the processing and marketing of cane where most economic value is added is owned and governed by the MNC Illovo. KCGL supplies less than 5% of the sugar processed at the Illovo sugar plant, a statistic that reflects the national picture between small-scale and large-scale producer volumes. This restricts the voice of small-scale producers collectively as their production volumes are not significant compared to those of Illovo. Furthermore, the fact that sugar cane has to be industrially processed before it is sold to markets means that KCGL is entirely dependent upon Illovo as the owner of the only plant to conduct that processing and subsequent packaging and marketing. In

addition, KCGL are tied-in to a long-term (25 year) supply contract with Illovo. This situation led one member of the KCGL management team to caution, ‘KCGL lacks a strong voice, we are dependent on Illovo so we have to be careful’.

This example highlights an important issue regarding small-scale producer group voice. As with empowerment efforts at an individual level, there is a difference between having an opportunity to speak and actually being heard. This example extends arguments of Rowlands (1997) and Sweetman (2000) regarding the difference between ‘power to’ and ‘power over’ livelihoods, and of Ferguson (1994) regarding the lack of radical political effects in development programmes. The KCGL example contributes to knowledge of the variety of trade relations in which small-scale producer groups are embedded that restrict their abilities to empower the group and its members. To emphasise this point, the situation at Kasinthula is in contrast to that of Fairtrade certified producers elsewhere, for instance in Kenya. In Kenya small-scale tea producers account for over one half of national tea production which enables them to command some level of greater political influence regarding prices and destinations of their produce.<sup>133</sup>

The forms of dependency evidenced at Kasinthula are increasingly emerging in fair trade relations as the movement extends into sourcing in-country processed commodities such as sugar and tea. For instance, Dolan (2008, 2010) also discusses emerging knowledge of restrictive tied-in dependent trade relations with large-scale commodity processing and marketing companies. Furthermore, Dolan (2008) notes how these commodity network structures militate against the form of relational governance that fair trade relations seek to foster.

In Chapter Three I referred to tensions emerging from the increased employment of modular and captive modes of governance driven by market conventions of the FLO versus civic conventions that promote relational governance upon which the fair trade movement was founded. The evidence obtained in the Kasinthula case suggests that as fair trade dominated by market conventions enters into contexts of tied-in dependent trade relations, the impact on enhancing the abilities of a dependent small-scale

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<sup>133</sup> Established in conversation with the Operations Director of the Eastern Produce tea estate.

producer group are restricted. Furthermore, by embedding producer groups into fair trade consumer markets governed by market conventions there is the potential to make small-scale producers dependent upon those markets and relations. The following comments in Box 7.3 from farmers living in Chinangwa that had already received significant investment via fair trade suggest a sense of dependency developing regarding fair trade in the Kasinthula case.

**Box 7.3 Chinangwa farmer quotes regarding fair trade dependency**

One farmer was happy that fair trade had delivered development ‘we have been dreaming for’, such as medication, boreholes, maize, and housing materials. He then pleaded

‘Fair trade should continue buying our sugar so that we can continue to experience the development like that that has been happening.’

Another farmer who had not been able to go to school herself requested

‘Fair trade should help us with a hospital and build primary and secondary schools in this area. They should still assist us. I am pleading with it to continue what it is doing now.’

Finally, after defining the FSP as money to assist farmers, another explained,

‘When the sugar scheme started I had my own field of maize and I was reluctant to give the field to Kasinthula for planting sugarcane. I did not know what would happen but I was persuaded and as of now I am proud to be one of the sugar cane farmers because of fair trade. God is great and should bless fair trade people. The government cannot afford to assist us anymore; fair trade is better.’

The evidence here suggests a shortcoming related to one of the challenges presented in Chapter Two generated by a critical postcolonial reflection. Through the dominance of paternalistic rather than relational forms of governance via distant certification and audit processes on the part of the FLO that do not facilitate alliances, arguably new forms of dependence have been created. In addition to the examples in Box 7.3, of the farmers interviewed, 75% said that fair trade should be responsible for delivering development projects in their community. Suggesting other sites of responsibility, 47% said the government and 24% said their Village Development Committee should be responsible. Such responses re-emphasise the sense of dependency on fair trade to assist the sugar farmers. Only three farmers interviewed said they could be responsible for future development efforts as Fairtrade certified farmers, and only one farmer suggested he would be able to further support himself, in other words feeling empowered to control his own livelihood.

Such statements reflect an embedded dependency culture in Malawi already discussed in this thesis related to a long history of uneven governance of trade and development regimes of practice. This appears to be a significant barrier to fair trade as a people-centred development approach that is trying to empower others to help themselves and those with whom they live. Instead, exercising forms of governance influenced through modular and captive practices of Fairtrade certification monitored and controlled by actors at the purchasing end of global production networks has led to an unintended consequence of deepening dependencies on external actors. This leaves a producer group that feels unable to empower itself in the local institutional environment in which it is embedded.

### **7.3 Unwilling agents: social responsibility tensions**

The previous section exploring unable agents of empowerment through either trade relations as a group or livelihood development as individuals discussed a number of factors that I argue constrain many members of Kasinthula from being able to either economically or politically empower themselves and others in ways envisaged through fair trade. A combination of financial and capacity constraints and embedded dependencies inhibit individual and producer community empowerment.

In this context I argue the social responsibility aspects of fair trade associated with prescribed rules regarding the use of FSP funds come into conflict with constrained members of Kasinthula. This section explores tensions embedded in the constrained and uneven postcolonial geography that fair trade rules come into contact with and introduces possible lessons to be drawn from this example regarding expectations of others.

#### **7.3.1 Individual versus community tensions**

In FGDs farmers were asked whether they felt that they had a greater responsibility for local community development since the intervention of fair trade. In response, one group of female farmers (FGD8) stated firmly that farmers have a greater responsibility. For example, one farmer said she had donated her iron sheets to the church and she had bricks moulded for toilet construction. Another farmer had donated a door to the same project. With that sense of social responsibility this group



of farmers felt that there was much more that could be done by farmers if they have the funds. Similarly, a group of male farmers stated

Since the intervention of fair trade, farmers have a development programme which they offer to their labourers. For some who work, they give income to their workers to make their life easier. For example they give workers some portion of maize. All farmers feel they have responsibility as citizens of their communities. (FGD10)<sup>134</sup>

There were some farmers who felt strongly about their social responsibilities. However, in the context of a constrained population and a heterogeneous producer group, it was often stated that individual needs come first before the ‘luxury’ of social responsibility. Furthermore, while some farmers were proud to present how they had been able to help others in their neighbourhood, others admitted that they were less philanthropic as always individual needs would come before the needs of others. No employees interviewed stated an improved ability or willingness to support the needs of others beyond those dependents to which they feel directly responsible to provide basic needs such as food and shelter. This reflects that in an uneven landscape not all farmers and employees are in the same position and, therefore, it would be an incorrect assumption to expect all to respond favourably to social responsibility elements associated with Fairtrade certification. Instead there is a need to reflect a more nuanced understanding of community level consequences, a challenge also highlighted by Arce (2009).

These different positions regarding individual and community needs are reflected in the following comments. I asked two male farmer groups the same question: ‘If you were to be given the chance to be part of the budgeting committee for the Fairtrade Premium what would be your priorities for that money?’ One group responded

The money should go into water and electricity. If these can be made available then the people would easily develop themselves. The second thing should be purchasing food to be used by those facing food shortages in the community. (FGD10)

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<sup>134</sup> For FGD group quotes I reference the group number (Appendix B), but I do not have the specific individual farmer or employee reference to provide.

The other group responded

The first priority group to have a share is the farmers. Then the community through the construction of clinics in our community. Then the worker should have a share either in the form of salary increase or through loans. (FGD11)

Depending on individual circumstances some farmers felt more able than others to be socially responsible toward other villagers. In addition to ability, an intertwined issue of willingness emerged in an interview with the Traditional Authority leader of Chikwawa, who is also a farmer. When discussing the subject of fair trade, he complained

Fairtrade standards restrict the use of money. Farmers are owners of the sugar but have to implement projects for the community who do not work on the cane, why? Farmers have their own needs and as owners of the cane that is sold why should they have to share money with employees?

In an extended interview with one farmer who was also the Village Headman of a local village, Mikanzo, he revealed an example of a combination of a lack of ability and willingness. When asked how he would use a relatively large sum of FSP money he stated

Like many farmers I am illiterate and cannot manage money well. If I get money such as MKw 100,000 I will consume it immediately because I have more than one wife and so I have many demands. Some farmers use the money irresponsibly but also many of us have emergencies such as when family members become sick.

When probed further about community development responsibilities he replied

Money often isn't invested in the community because of greed and selfishness. Farmers like me are uneducated and so it is difficult for me to handle community development by managing finances. Fair trade people should manage this to ensure that fair trade money can benefit more people in the community. There is often no heart in farmers to assist others but external people often have a heart and sense to help others.

These are only the views of two farmers and cannot represent the perspectives of all. However, they are views from two prominent village leaders in this producer community and, therefore, farmers who command significant levels of control and

influence. In the hierarchical and uneven institutional environment I have identified in southern Malawi, if unelected local leaders express such statements of inability and unwillingness, this will have a significant impact on the distribution of fair trade proceeds and processes. The story and pattern emerging here and in Chapter Six evidences the resultant uneven and unequal impacts since fair trade entry into the landscape in which the Kasinthula sugar scheme is embedded.

In Chapter Four I discussed concerns regarding the nature of traditional leadership governance influenced by low levels of formal education and resistance to change. Issues regarding low levels of formal education among farmers (many of whom are directly connected to local leadership structures), limited capacities, and a lack of ability to be socially responsible were voiced by the General Manager of KCGL:

Fair trade compels producers to work with the community by complying with fair trade standards on social premium usage. Farmers ask, ‘why are we doing this?’, ‘shouldn’t it be the responsibility of the government to provide to citizens?’ Corporate social responsibility is something that many do not understand or do not regard as important because they have not had it in their lives before.

In interviews with members of the KCGL management team and at the Illovo Nchalo plant there was a sense that some fair trade principles regarding social responsibility were not understood and that to most farmers fair trade represented only more money coming to them from their sugar cane sales. This appears to be a reflection of the continued legacies of a dependent place that receives a lot of external donor support and, as a result, where fair trade only represents another of a long list of external development supporters. The occasions where farmers stated they invested in the needs of others seemed to stem from variable levels of individual concerns for the welfare of others rather than as a response to fair trade principles that promote such actions.

Offering an optimistic note that this will not necessarily remain the case, the General Manager of KCGL did continue to suggest that

Slowly farmers are appreciating the importance of being socially and environmentally responsible as a better way of doing business, but there is a

long way to go. Many still do not see employee issues as important; such issues are a burden when farmers have their own needs at heart.

Thus, while there may be some ability and will to be more responsible as defined through Fairtrade standards, individual needs of farmers still inhibit that process. As discussed in section 7.2.2, with improved financial situations many farmers expressed enhanced abilities to invest more in livelihood needs such as livestock and school fees. However, in the low income context of Southern Malawi, many still feel unable or unwilling to be in a position to afford the luxury of allocating additional income from fair trade money to village projects. This situation also challenges imaginations of producer communities to be willing to participate in redistributive solidarity when in reality those communities are fraught with tensions and fractions (Arce, 2009; Dolan, 2010).

### **7.3.2 Deepening evidence of unwilling agents**

In addition to the research at Kasinthula, during my period of fieldwork in Malawi I conducted a separate study in the tea sector. A few months before I arrived in Malawi the first Fairtrade certification of a smallholder tea farmer group had been completed. Working with the research team I discussed in Chapter Five, we interviewed eight groups of tea smallholders. The material from this study formed the basis of a contracted report on the Fairtrade certified Malawi tea sector (Phillips, 2009).

Justification for referring to the tea case study group (Eastern Outgrowers Limited, EOL) at this point comes from the fact that it shares similar conditions to those of KCGL. Principally, the producer group is also located in the southern region of Malawi, the volumes from small-scale production are low compared to those from large tea estates, and the Fairtrade producer group is wholly dependent on a tea factory owned by a large estate (Eastern Produce) for processing and marketing the tea they produce. That relationship is, therefore, much the same as the one between KCGL and Illovo.

As in interviews with members of KCGL, the subject of the FSP was discussed with some EOL tea farmers. One finding from the EOL study was that small farmer incomes had remained unchanged despite Fairtrade certification twelve months previously. A reason for that is the control of the national tea pricing system by large

estates and auction houses.<sup>135</sup> Therefore, with no impact on their incomes attributable to fair trade, there were frustrations voiced regarding the use of FSP funds. Box 7.4 presents some examples of these comments from EOL farmers.

**Box 7.4 EOL farmer quotes regarding Fairtrade Premiums**

‘Farmers are not benefiting so why should we be doing things for the whole area? We are not the government. To get the money in better prices or bonuses would be better. Or to subsidise fertiliser as prices are increasing’.

‘We are not the government so why is the money to be spent on non-farmer things? We as farmers need so many things. Leave development to the government and fair trade to benefit farmers’.

‘There is a borehole that has been dug, and a school and a clinic that have been renovated. These are of benefit to the community and not the farmer. That is the duty of the government’.

‘If we (farmers) are not developed in our homes, how can we think about the needs of the community. As a result, the community will also not develop. The first development should be on the individual farmer’.

‘It would make more sense if the money was dedicated to the betterment of the wellbeing of the farmer. The money should go in buying tea bushes so that we increase hectares under tea production, if the money went into our yearly bonuses, or monthly salaries or if were used to subsidize fertilizer’.

‘We understand that the money should be used for community development but why should we help the government when the farmer himself needs help. We sleep in houses that leak, have inadequate food and are generally poor. We would want to have something to show for our labour like our Kenyan friends who are doing the same tea farming’.

These comments are similar to those expressed by some farmers at Kasinthula entrusted with responsibility to spend FSP funds on local development projects. In particular there are many references to a prioritisation of farmer needs (for instance higher tea prices and subsidised inputs) to enable them to improve their own homes and livelihoods, and that the responsibility for local social development should not lie with low income farmers but with other bodies such as the government and international agencies. This again, in reference to Dolan (2010), foregrounds tensions between individual accumulation needs and expectations of communal values that are contained in social responsibility aspects of fair trade.

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<sup>135</sup> A situation also encountered by Dolan (2008).

A combination of a lack of ability and willingness to act as agents of development is then clearly evidenced by farmers who feel restricted by the economic and political contexts in which they are embedded. Conducting interviews with other agents in the tea growing region led to comments supporting the constrained situation of small-scale tea farmers.<sup>136</sup> For instance, a manager at the Eastern Produce tea estate who buys tea from EOL farmers summed up the situation in this way:

Farmers are not happy that elected people to the Fairtrade committee have to do the work voluntarily. They get no compensation for spending time away from the fields.<sup>137</sup> So it would be good if they could be rewarded for a job well done. Also, why should they voluntarily spend the money on the wider community when it has come from their work? Fair trade is expecting a farmer to look after the premium money voluntarily when he a) doesn't get paid much for the tea, and b) gets paid nothing to be on committees. The reality of life in villages here is that people are not always willing to participate and volunteer.

It is reasonable to challenge a point regarding low tea prices from an actor that is part of a system that determines smallholder tea prices. However, the general point regarding the expectation placed on those with few economic assets and spare time to volunteer their time to participate in Fairtrade processes is an important one, and supports the argument being made from findings at Kasinthula. Aspects of the standards of the FLO regarding FSP use and committee responsibilities can be critiqued for not avoiding the pitfall of paternal governance that negates empowerment of others.

Similar issues regarding tensions between individual and community needs have been written about by other researchers. For instance, researching fair trade coffee in Latin America, Murray et al. (2006) discovered tensions between FLO dictating the need to use FSP funds for social development projects versus cooperatives deciding to use funds for operating costs or cooperative members' incomes. Jaffee (2007) also

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<sup>136</sup> I incorporate statements such as these from the tea estate as I do from the Illovo sugar mill in the KCGL example as they are also actors in these postcolonial production environments. I have already identified that within the heterogeneous category of producer there are a range of actors including tea estate managers, landowners, and hired labour.

<sup>137</sup> This situation is different to that of members of the FPC at Kasinthula. The members of that committee receive guaranteed monthly incomes and normally do not need to travel large distances as they are regularly present at the offices of KCGL where they meet.

discusses tensions between collective and individual needs in his study of fair trade coffee in Mexico.

Until recently, however, evidence regarding these tensions in situations of fair trade entering SSA contexts was limited, a gap in knowledge that my research fills. This also extends arguments made by Dolan (2008) from her research of fair trade in the tea sector in Kenya. From that study she argues

Tension between communal values and individual accumulation has been amply noted in studies of African economic development...where webs of kinship and mutual cooperation [that] shape economic decisions [are] assumed to act as a check on the corrosive effects of self-interest. (Dolan, 2008: 310)

Reflecting a shortcoming in such an assumption of homogenous and harmonious communities as also argued in this thesis, Dolan (2008: 310) found that tea producers were ‘driven not by the redistributive values of a collective commonweal but by personal profit maximization’. Specifically, ‘farmers were particularly resentful that the social premium projects benefited non-tea producers’ (Dolan, 2008: 311). Such resentment can be seen in quotes presented in Box 7.4 and the previous section focussing on views from some KCGL farmers given responsibility for the improvement of the lives of others.

A fact that low income farmers prioritise their own needs and therefore conflict with the rules of the social responsibility of fair trade is also a conclusion made by Ruben et al. (2009: 786):

While [the Fairtrade Premium] is supposed to be invested in collective goods, in practice many farmers express a preference for using these resources to enhance individual household welfare.

This summary and evidence from other referenced fair trade studies brings into question the expectations placed on others to act responsibly as agents of development when that responsibility is defined by those not embedded in the local institutional environment (in particular the FLO and FTOs). Reflecting on findings from other fair trade studies strengthens this point and demonstrates that the situation evidenced at Kasinthula cannot be solely the result of the unique circumstances of one case study. Rather, it foregrounds how empowerment expectations and associated responsibility

requirements need to give more consideration to the constrained low income and poverty contexts in which many Fairtrade certified producers are embedded.

### **7.3.3 Uneven local community participation and benefit**

A consequence of embedded constraints and tensions is encountering unable and unwilling agents of the social responsibility aspects of the FLO's socioeconomic standards and ideals regarding use of the FSP. In this section, returning to the focus of the KCGL case study, I explore consequences of this situation for others living close to the sugar scheme.

One of the stipulations in the small producer organisation standards of the FLO is that the surrounding community should benefit through the actions of group members.

Specifically, through cooperation and concern for the community

Fairtrade operations should embody socially responsible interactions with the community not only on a global market scale but also at the local level.

Positive and constructive interactions with the local community have the potential to spread the long-term objectives of the Fairtrade mission. (FLO, 2009b: 15)

I refer to indicators identified in Table 5.4 to seek evidence of the extent to which the community surrounding the Kasinthula sugar scheme is included in fair trade processes. Indicators include evidence of FSP expenditure outside of the producer group and its members, local dissemination processes of fair trade from Kasinthula, and a sense of whether or not stronger links were being established with the surrounding community as a result of socially responsible interactions.

To understand more about decision making processes and how non-members of Kasinthula participate in those processes, I asked the FPC directly. They explained that villagers can send requests to their Village Headman who then sends letters to the committee. Upon receiving requests the committee aims to prioritise basic needs projects such as water taps and boreholes. The committee then agrees which projects will go ahead and organises quotes.

I established in Chapter Four the context of a neopatrimonial state in Malawi that means unelected traditional leaders (Chiefs and Village Headmen) are the heads of



Village Development Committees. Those same leaders from the villages surrounding the Kasinthula sugar scheme are also all farmers in the scheme and often the ones elected to the principal committee positions,<sup>138</sup> such as the case of the FPC. These individuals therefore occupy positions of influence that includes an ability to disseminate information to others living in the Chikwawa district that could be used towards improving livelihoods. In their capacities as both Village Headmen and committee members they are the gatekeepers upon whom subordinate members of this district depend for knowledge of issues such as fair trade.

Furthermore, the levels of participation of those not in influential positions, whether they are employees of KCGL or not, depend upon the actions of those most empowered in the villages. The local community that is referred to by the FLO is therefore not a homogenous entity; instead it comprises many actors with uneven levels of influence and dependency. In this postcolonial place it is also one where access to global production and development network actors and processes is controlled by a small, but influential local elite.

In this context there were different interpretations of community empowerment as a result of KCGL achieving Fairtrade status. Many farmers interviewed (64%) stressed that the FPC directly disseminated information related to fair trade to both KCGL and non-KCGL members who lived in villages surrounding the scheme. An even higher percentage of farmers (89%) stated that as a result of constructive interaction with surrounding village constituents, fair trade had a positive impact on the lives of others. The comments in Box 7.5 represent examples of such positive accounts.

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<sup>138</sup> A situation confirmed in interview by the KCGL HR Manager; ‘all local community leaders are farmers including the TA and his wife’.

### **Box 7.5 Farmers and community benefits**

The following quotes are from three farmers who lived in Chinangwa village and had held title to a plot of land since the sugar scheme began.

‘Fair trade has had a positive impact on other villagers because they are able to benefit from the development projects such as when they are able to access drugs from the clinic which has been assisted by fair trade’.

‘The fair trade committee has represented the interests of my community (Chinangwa) because we have seen the development which we have been dreaming for’.

‘Fair trade has had a positive impact on relationships with other villagers because they are also benefiting from the community development’.

‘Fair trade has had a positive impact on relationships with other villagers because it has helped to unite these 2 groups as the benefits are being experienced by almost all of the people’.

In addition to direct use of FSP funds towards development projects, the majority of farmers felt they were empowered through their higher incomes to offer more to their fellow villagers. For instance, 42% said they were able to offer loans and 40% were able to offer ganyu. These accounts suggest some positive impacts of fair trade that have spread beyond those most empowered prior to certification. However, these examples represent ‘power to’ economic impacts on the part of those more empowered rather than ‘power over’ impacts on those less empowered, supporting an argument that technical ‘power to’ impacts are the most evidenced from people-centred development programmes (McEwan and Bek, 2006).

Developing this argument further, I refer to perspectives of those who were not farmers or occupying influential local leadership or committee positions. First, 83% of KCGL employees interviewed said either nothing was formally provided or they did not know of any dissemination processes by FPC members to others living locally. Most elaborated to suggest that as a result there had been little impact on the lives of the majority in nearby villages with the exception of a few small-scale technical development projects.

To enquire further into relations between Kasinthula and surrounding villages, and what some members of those villages felt about the dissemination and distribution of

FSP benefits, I invited non-Kasinthula member villagers to participate in the research. A comment from one farmer that the FPC normally selects projects in villages where there are many farmers sparked an interest to understand to what extent that was evidenced. For this reason, village meetings were organised in two villages, Chinangwa and Mikanzo. As also discussed in Chapter Six, during my time in Chikwawa I had heard a lot about Chinangwa, the farmers living there, and development projects. To provide a contrast we selected Mikanzo for the following reasons: first, their Village Headman was a farmer, but only a total of three Kasinthula farmers lived there; second, it was located farther from the sugar scheme; and third, it was located close to land where a proposed extension of the scheme would take place.

In Chinangwa, many farmers and employees commented on the developments in that village, in particular boreholes and electricity infrastructure (Figures 7.2 and 7.3).



**Figure 7.2 Borehole funded with Fairtrade Premiums, Chinangwa village.**  
Source: Author's photograph



**Figure 7.3 Electricity infrastructure funded with Fairtrade Premiums, Chinangwa village.** Source: Author's photograph

Whilst there was appreciation of the developments that had come, there were also expressions of frustration that the livelihoods of the farmers (as those connected to village leaders) were enhanced disproportionately. For instance, one group of male villagers commented:

We do benefit indirectly with community development projects and we appreciate the village projects. But our livelihoods are far behind the farmers. The sugar farmers have benefited the most and have been able to improve their homes and pay more school fees. As this continues the poverty gap between them and us widens. We would love to be able to access some of the fair trade money directly to invest in our livelihoods. (FGD12)

As the most influential farmers are also village leaders it is appropriate to reflect on such interesting perspectives from those who live in villages governed by those sugar farmers. Doing so reveals additional layers of inequality and a deepened sense of unfairness between those with access to land title and political power, and those without. Using the Chinangwa village electricity infrastructure as an example, that project utilised 5% of FSP funds accrued at Kasinthula at the time of this research. At that time no homes had accessed electricity and those in line to do so and be able to afford to were the sugar farmers in the village. Table 7.1 presents a breakdown of FSP spend at the time of this research (May 2008).

FSP receipts approx US\$ 1.2 m to May 2008
45% (US\$ 500,000) direct to farmers
22% (US\$ 250,000) as loans to KCGL
12% (US\$ 150,000) to plough out programme
10% (US\$ 120,000) to KCGL bills and vehicles
5% to Chinangwa electricity project
2.75% to water projects – boreholes and taps
0.5% revolving fund; 0.25% bilharzias drugs; 2.5% other

**Table 7.1 KCGL Fairtrade Social Premium spend**

Source: Author's data

As I explored in detail in Chapter Six, the concentration of benefits accruing to the sugar farmers led to many perspectives suggesting widening economic wealth gaps and resultant cases of jealousy and frustration among those not benefiting. In a group discussion in Chinangwa village there was an acknowledgement that non-sugar farmers were not supposed to benefit, from what they understood:

We don't have many expectations from fair trade because we were told that it is meant for cane growers only. Because we often have village meetings like this and many farmers live in this village (including our village headman) we often hear about Kasinthula and fair trade through them. We don't hear from other Kasinthula or fair trade people directly. (FGD12)

Furthering this sense of exclusion as a result of control of FSP funds in the hands of unable or unwilling agents of social responsibility, one group of female villagers actually defined fair trade by saying, 'fair trade is a means through which the cane growers of the community have been able to develop and provide adequately for their families' (FGD14). This definition supports an argument that individual needs and accumulations of those given responsibility in a low income context to distribute funds trump a sense of responsibility towards the development of others.

Frustrations of exclusion were reflected with an empirical reference by one woman in a village group discussion who complained, 'after doing some work in one of the cane farmers' fields I need a good strong house to go to. Imagine on a rainy day I go home to find my home flooded because of a leaking roof. The farmers' houses now have better iron sheets' (FGD14). Another woman in the same group provided a second empirical example by saying, 'we would like to have enough and good food like the

cane farmers. Our children are envious of the nice food the farmers' children have' (FGD14). In addition to comments that suggested a neglecting of consequences of unable or unwilling agents of social responsibility, other comments (in Box 7.6) appeared to reflect the embedded hierarchies and inequalities in rural Malawi presented in Chapter Four.

**Box 7.6 Frustrated villager comments**

'We can offer some more ganyu to farmers but this is selective and can be limited to only a few people' (FGD13).

'The only ones who can benefit a small yield from ganyu are relatives of the farmer shareholders. Plus a single household may contain two or three of the shareholders in Kasinthula. These situations continue to widen the gap between them and us' (FGD14).

'We feel we do not have a voice or power to make our case known. We voice frustrations among ourselves because we know that the village headman as a cane farmer won't listen to our needs' (FGD14).

Such embedded contexts present many challenges to a programme such as Fairtrade. It would be unfair to expect Fairtrade to benefit such large populations directly by trading fairer with a producer group. However, the findings presented here suggest that a greater recognition of uneven and unequal postcolonial landscapes in which fair trade enters may at a minimum militate against unintended consequences, such as widening wealth gaps.

Returning to the perspectives of the villagers, after presenting some frustrations and concerns, there were some who offered suggestions that may result in more people being able to benefit from Kasinthula's Fairtrade status. One group of Chinangwa women stated that 'it would be better if shares from Kasinthula could be more evenly and fairly distributed to more households' (FGD14). As a suggestion to achieve that a group of Chinangwa men offered; 'we would love to see the establishment of a trust fund to offer scholarships to children in this village from non-cane farmer households' (FGD13).

So far I have only discussed the responses from those I spoke to at Chinangwa. The principal reason is that with many Kasinthula farmers living there, the other villagers

had a lot to say about fair trade, community development, and Kasinthula. In contrast I received very few comments from our discussions in Mikanzo village.

Although their Village Headman is a Kasinthula farmer, hardly anyone I spoke to in Mikanzo had any knowledge of fair trade or associated social responsibility elements. As one group of male villagers put it, ‘we have heard of the fair trade name but we don’t know what it is. There has been no impact here and we don’t interact with Kasinthula’ (FGD16). Similar comments were offered in all discussions reflecting a distinct difference to the experiences and knowledges of those in Chinangwa village.

Reflecting similar issues regarding the status of the sugar farmers as witnessed in Chinangwa, one group of female Mikanzo villagers stated that they can only offer ganyu and that is not enough for food; ‘the three men who have shares in Kasinthula have a respectable life, one without trouble and deprivation. Some of us go to these people looking for work’ (FGD19). As their own Village Headman put it, not all farmers are willing or able to distribute benefits from their incomes and therefore benefits within the community remain uneven and unequal.

The situations evidenced in both villages highlight an uneven geography associated with the intersection of an agricultural production community formed with funding and direction from development agents external to local networks and an embedded postcolonial landscape. The result has been the occupation of influential and highest income earning positions in the producer group by those in positions of most influence in the postcolonial governance networks. Embedded institutions such as paternalism and subordination have shaped unequal levels of social, political, and economic community empowerment.

#### **7.4 Challenging assumptions and expectations of producer communities**

There are three themes that emerge from the material analysed in this chapter that challenge aspects of the fair trade approach. These themes are based on evidence presented in sections 7.2 and 7.3 from low income producers involved in both small-scale sugar and tea production in Malawi. First, there is a need to challenge expectations placed upon low income producers; second there is a challenge to engage

a wider local community of interest in livelihood enhancement efforts; and third, there is a challenge to recognise the influence of a culture of dependency on external actors combined with mistrust in local leadership actors.

In presenting these themes I refer to conversations with local postcolonial agricultural production network (PAPN) actors who are not necessarily those on lowest incomes, but in some capacity are directly included and embedded in the local production network and community of interest.

#### **7.4.1 Reduce expectations of low income producers**

The issue of unable and unwilling agents emerged in discussion with a sugar industry consultant directly involved in Illovo, KCGL, and fair trade relations and facilitation.

Discussing the FSP she offered:

Most farmers see the additional fair trade money for individual wealth which seems in conflict with the fair trade concept of community development. If more money was invested in income generating schemes then more people would benefit. Fair trade should learn that there is a need for more control mechanisms over the use of funds. There are many groups at KCGL who either don't have the capacity or the will to manage premium funds fairly and democratically.

This point suggests a lack of faith in an approach that grants various responsibilities to a low income group of farmers and includes assumptions regarding the existence of strong social capital in a community. As identified in analysis of producer perspectives above, there is a call for priority to be placed on investment in the business and incomes of producers before the 'luxury' of other community empowerment activities. Moreover, there was an apparent concern among those associated with the sugar scheme and the local district regarding the lack of understanding or embeddedness of the culture of social responsibility leading to uneven and unfair outcomes versus expectations of fair trade.

The issue of a lack of understanding or experience of the principles within the fair trade approach on the part of Kasinthula's low income producers emerged in other interviews. Offering a reason for the gap between expected outcomes of fair trade and local interpretations, a representative of the Chikwawa District Assembly suggested



With fair trade the first thing is that cane growers need to understand the principles. The extra dividends are supposed to be for social responsibility but the farmers do not understand that.

This reaffirms a view that emerged through the period of my fieldwork that low income producers are not able to be agents of development due to their embeddedness in a constrained context that contains a culture of unfamiliarity with many of the principles embedded in the fair trade approach. As I discussed in Chapter Six, the levels of awareness and knowledge of the fundamentals of fair trade among different low income producer groups varies depending on their level of experiences and culture of principles such as democracy and cooperation central to fair trade language.

Offering perhaps a more sympathetic comment, appreciating the low income status as a reason for a lack of will to be agents of development, a member of my fair trade reference group questioned the social responsibility aspect of fair trade in saying, ‘why should we expect the poor to be philanthropic? If they have needs to be met then surely they have the right to decide what to spend money on’. This brings attention to whether it is fair to expect those with individual (and family needs) accepting responsibility towards the needs and rights of others. All of these comments suggest that requesting social responsibility responses from members of Kasinthula is an over expectation given the context in which Kasinthula’s producers are embedded. This echoes messages emanating from analysis of producer responses earlier in this chapter, both from the Kasinthula case and some other recent fair trade studies focussing on this aspect.

Regarding the issue of needing to more deeply understand each specific economic, social, and political situation of a producer group that fair trade becomes associated with, the General Manager of Kasinthula argued

Fair trade needs to look at the context of the business that includes large debts at Kasinthula.<sup>139</sup> To sustain the business it is difficult to pay farmers what they expect and then when we can’t, they [farmers] question why money generated by their cane goes to non-KCGL members as project money. In these situations tensions and conflicts arise.

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<sup>139</sup> I discuss the details of these debts in section 4.5.3. Without loan repayments KCGL would be in a better position to sustain the business and increase financial returns such as employee salaries.

Supporting points made regarding levels of understandings and experience of principles associated with fair trade, the management team at the Illovo sugar plant also expressed concerns regarding fair trade's focus and the capacities of farmers to contribute to local development efforts:

There are no problems with the principles of fair trade; the issues are in the delivery. First, the philosophy of fair trade is not understood at the grass roots. Second, the Fairtrade premium should go to business support and survival costs first. Third, there is too much faith in illiterate farmers to be able to deliver economic and social benefits.

The same issue was also raised in interviews with a sugar industry consultant:

The fair trade model has potential. But there is a need to accept the capacity of the people and be more aware of their poverty. There needs to be a stronger advisory role rather than expecting these farmers to deliver fair trade expectations. Some fair trade people don't appear to understand the sugar business sufficiently. They should consult with Illovo too, not just the farmers. Sometimes the social side of fair trade seems a luxury, forgetting KCGL is a business that needs support.

In addition to these comments, others expressed some concern regarding contradictions and prescriptions of FLO standards. For instance, a self-reflexive comment from a member of my fair trade reference group highlighted a contradiction in FLO rules regarding the FSP:

There is a need to empower the group to decide what socio-economic development is appropriate to their needs. If an AGM agrees then according to FLO rules that should be sufficient. There needs to be flexibility to allow producers to decide if business needs are a priority over social development needs.

The General Manager of Kasinthula also pointed out a contradiction where the standards (FLO, 2009b) state that the money should be used for local social development but also that decisions regarding the use of the money should be made by members of the producer group. A point about questioning the approach of creating a FPC and thus embedding a global fair trade requirement in local political

relations was made in a conversation with members of my CASE partner.<sup>140</sup>

Essentially, the identified challenge is to increase consideration of potential tensions and uneven levels of participation and distributions of benefits in cases where some low income producers are landholders and others are hired labourers.

The evidence and arguments here challenge a global approach that contains both assumptions and expectations of others that is applied in different local institutional environments. It also raises the issue of trusteeship through controlling the development of others from a distance with limited engagement of actors who are not low income producers, but are also embedded in a postcolonial production place, a theme explored in the next section.

#### **7.4.2 Engaging a local community of interest**

A second issue that emerged from analysis concerns links between the Fairtrade certified producer group, the wider community of villages in which members of that group live, and other members of the community of interest such as Illovo, NGOs, and the Chikwawa District Assembly (see Figure 5.2). It appears that weak links between the different constituent members of this wider community restrict the level of impact that fair trade rules of the game could have in this place. This issue emerged in interviews with representatives of the community of interest. For instance, a representative of the Chikwawa District Assembly explained:

Because of decentralisation all local leaders should be involved in local development decisions not just farmers/village headmen. There is no link between the KCGL committee and the District Assembly. For instance, the Fairtrade Premium committee has never visited this office and nor have any fair trade people. With better links I think relations would be more constructive and effective.

This lack of connection between fair trade processes that have been operating at Kasinthula for some years and others in the local development community was further evidenced when I attended a meeting with the District Executive Committee (DEC). The DEC constitutes members of NGOs and government officials such as agricultural specialists. When I discussed my research and fair trade with representatives of this group there was no knowledge of the work of fair trade at Kasinthula. This appears to

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<sup>140</sup> I refer to that dissemination session and outputs in more detail in Chapter Eight.

highlight shortcomings on the part of those entrusted locally with social responsibility, the FPC of Kasinthula, but also on the part of fair trade personnel for assuming such dissemination would occur in this community based on theories of cooperation and social capital. That point was highlighted by a representative of Illovo who stated, ‘sometimes FTOs only consult the farmers when reporting, it is important to include perspectives from all involved in the scheme’.

I also asked my subordinate native informant<sup>141</sup> about this situation. He responded by stating that those associated with fair trade should do more to empower others in the local community to be able to take some control and influence away from the controlling few farmers. He offered some suggestions as to how that should happen:

Fair trade people should communicate with villagers themselves and not leave the messages to be passed via the premium committee.<sup>142</sup> That way villagers will know what the committee is supposed to be for as currently the committee makes decisions that exclude the villagers. If villagers were properly sensitised then people could voice concerns to an independent organisation, independent of VDCs or committees then it would be better. For example, the World Food Programme (WFP) goes to villages on its own with its program for maize distribution without the headmen, otherwise the headmen would give the maize to their comrades and the poorest would not be helped. So the WFP approach gets the maize to those who need it the most and it would be good if fair trade could do the same. This is how fair trade can empower the villages / communities.

Such calls for fair trade needing to work more in conjunction with other community development activities have also been voiced in recent fair trade literature (Berlan 2008; Ruben et al., 2009; and Taylor, 2002). For instance, as Taylor (2002: 27) identifies:

Fair Trade currently involves no defined strategy for working with other actors in rural development. The benefits of Fair Trade to producers come not only from direct economic returns, but from using [Fair Trade] as a network for

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<sup>141</sup> Refer to section 6.3.5 where I introduced this employee on the FPC.

<sup>142</sup> In Chapter Eight I discuss challenges to the model of FPCs and their wider role with reference to conversations with members of my CASE partner.

other rural development goals. FLO criteria says that Fair Trade should ‘contribute to the development of certified producers’ yet currently is less part of broader development strategy than it is an alternative market that offers more equitable negotiating conditions.

The issue here is that if part of the fair trade approach is to generate local development impacts then it is incorrect to assume that all Fairtrade certified producers are able or willing to take responsibility for those tasks. The following series of quotes from other researchers re-emphasises this argument that expectations of automatic social responsibility responses in low income producer communities conflate with realities and lived experiences.

The actual redistribution of material benefits within producer communities is hampered by associations’ weak organizational capacity, their limited understanding about premiums and minimum prices, and the limited participation of the larger community in making decisions about Fair Trade resources. (Shreck, 2005: 24)

If fair trade is to have any discernible impact on rural communities it must engage with key local development issues. (Utting Chamorro, 2005: 597)

Fair trade networks should become more actively involved in local development processes. One way is to actively create links with other types of development organizations in order to be part of integrated development. (Mendez, 2002: 24)

From a postcolonial perspective fair trade can be critiqued here for maintaining colonial practices of dictating and controlling from distance through Fairtrade certification activities such as annual audits. There remains space for an alternative set of relationships that more significantly incorporate participation of a range of actors from a postcolonial agricultural place. Such relationships would more closely reflect the founding principles of fair trade regarding long-term relations and altering forms of governance to bring issues found in postcolonial places more to the fore.

Supporting requests to engage a wider community in local development efforts voiced by both Kasinthula producers and other fair trade researchers, in conversation with the management team of the Illovo sugar plant, they pointed out:

It is a mistake that only farmers are entrusted with responsibility for social premiums; a third party should be involved to facilitate. Fair trade and FLO are too inflexible – they are expecting first world Corporate Social Responsibility (CSR) principles and responses in a third world context. The debt and business needs of KCGI should be the priority because without that there will be no fair trade.

The last point in this quote regarding a third party involvement was also made by the Eastern Produce estate in my tea study. Both they and Illovo strongly felt that if fair trade practitioners (in particular the FLO) expect empowerment as livelihood and social development impacts to follow Fairtrade certification, there needs to be a more consistent presence of fair trade personnel to facilitate fair trade processes. The approach of an annual audit and ad hoc FTO visits were not regarded as sufficient as this quote from Eastern Produce explains:

There is a need for much more training, and not just to the committee members. People won't understand the first time so it has to be on-going. You can't just drop in once a year and leave; if fair trade is to embed itself there needs to be more dedicated efforts towards education. There is evidence that people do respond positively. For instance there is a wider understanding now of the need for quality leaf.

This point connects to the suggestion to expand the community that fair trade engages with to expand partnerships with locally based trade and development actors to help 'deliver' fair trade. The above quotes also re-emphasise a situation where low income producers are both unable and unwilling for various reasons to take on responsibility for some aspects expected through the fair trade approach. Arguably, by not engaging with a wider local community, the fair trade approach and expectations of what fair trade can deliver is putting too much expectation on a low income producer group and too little expectation in others in the local community of interest who may be able and

willing to assist further.<sup>143</sup> There is a need to problematise some of the language used by representatives of the sugar mill and tea estate as they portray a situation of helpless, backward, rural Africans in a third world context. However, looking beyond that critique, the general issue revealed here regarding a need to engage with a wider community of actors in postcolonial agricultural networks remains a valid point.

### **7.4.3 Influence of dependency culture**

I discussed earlier the issue of fair trade representing a form of international aid in the dependency environment embedded in this postcolonial place. This is in contrast to an expectation that fair trade represents an approach through which low income producers can increase responsibility to develop themselves and others. In this context, in addition for calls to involve a wider community of interest located in local networks, there was a plea for actors external to local networks to be involved in economic and political distributions. This was expressed in one employee FGD at Kasinthula:

This forum that you have afforded us has given us the chance to express the desires of our hearts. We would want that this forum to benefit us in the future. We would also want fair trade to put up strategies that would work to our advantage. There is a break between fair trade and the company so it would be of benefit if there was an external entity not the company to be involved in the distribution of fair trade benefits. (FGD7)

Concerns existed regarding those who dominate local decision making and their weak dissemination practices. There was a sense that with such embedded governance structures and associated sites of mistrust it makes it more difficult to operationalise the type of community empowerment that fair trade seeks to foster, such as social responsibility practices. The above quote also re-emphasises the strength of a dependency culture with a call to an external entity such as an international development organisation or fair trade personnel who could be trusted to manage Fairtrade finances on behalf of all Kasinthula's producers.

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<sup>143</sup> The issues and challenges to fair trade highlighted in this and the other policy discussion sections of this chapter were presented to my CASE partner as part of a dissemination and conversation session regarding these findings. That process and the outputs regarding questions generated by this research and possible lessons to be drawn are discussed in Chapter Eight.

The influence of an embedded dependency culture emerged throughout this chapter. In both sections 7.2 and 7.3 I refer to instances of low income producers requesting more assistance from external fair trade actors due to a sense of being unable to empower themselves. This situation suggests a need to be more sensitive to the culture of dependency when delivering fair trade benefits in a postcolonial place such as that in the Chikwawa district and the Kasinthula sugar scheme.

### **7.5 Conclusions: accounting for constrained postcolonial agency**

In this thesis I refer to the concept of agency as an ability to act and affect change to current circumstances. This chapter has presented an interpretation of empowerment of individual and collective agents as low income producers. A range of factors that affect levels of empowerment evidenced have been revealed in this chapter by exploring low income producers as unable and unwilling agents.

The context of a geography consisting of constraining factors, hierarchies, and a dependency culture directly impacts upon levels of ability and willingness to empower individually and collectively. From the evidence presented in this chapter I argue there are a number of challenges for fair trade to consider and learn from.

First, there is a need to check expectations of empowerment when many low income producers are faced with financial, social, and political constraints. Empowerment expectations, in particular social responsibility aspects associated with use of the FSP, are generated through the rules of the FLO and images created through fair trade discourse. I argue that in situations such as those portrayed in this chapter, responsibility towards the upliftment of the lives of others is a luxury many cannot or will not afford.

When criticising community empowerment approaches, McEwan and Bek (2009) caution against over expectations of evidence of empowerment. In presenting challenges to fair trade I agree, as the fair trade movement does not set out to be a solution to all problems facing low income rural areas such as those in Southern Malawi. However, I argue that it is important to foreground cases of exacerbated inequalities and associated tensions as evidenced in Kasinthula's postcolonial producer context. Doing so highlights lessons that can be learnt, in particular to



consider the rules associated with the use of the FSP and whether an increased focus on the immediate needs of all producers is a priority before encouraging investment in village projects.

Second, there is a need to consider expectations by accounting for the positions from which different low income producers are starting from. For fair trade to ‘succeed’ in empowering others, there is a prerequisite that low income producer partners are endowed with certain ‘ingredients’ as skills, knowledges, capabilities, and a culture of cooperative social capital to be able to benefit more fully from fair trade. When such ingredients are absent, a group of producers may not embrace principles expected with fair trade such as democracy, transparency, equity, and social responsibility. Instead a series of uneven and unequal experiences and interpretations emerge. This supports a developing critique of assuming harmonious producer communities and instead foregrounding tensions and resentments.

Third, in addition to challenging assumptions and stereotypes of able and willing low income producer groups, there is space to challenge assumptions of other local producer community actors as unable or unwilling fair trade partners. There are a number of actors who are not members of small-scale Fairtrade certified groups but are also embedded in the postcolonial landscape. These include NGOs, larger-scale producers, and district officials, all of whom expressed vested interests in the upliftment of those embedded in low income areas. If social development initiatives remain central to fair trade approaches then more direct relations with this wider community of interest should increase community empowerment impacts.

Finally, referencing trusteeship challenges introduced in Chapter Two, the issue of tensions regarding unable and unwilling agents brings into question the fair trade partnership approach when the ‘rules of the game’ are conceived without the participation of representatives of producer groups. Some of the successes in fair trade, in particular those highlighted in some case studies of coffee in Latin America (for instance by Paul, 2005; Ronchi, 2002; and Utting, 2009), emanate from cases where the producer groups had been established for some time and where principles and practices of cooperation and social responsibility were more firmly embedded. In contrast, KCGL is a ‘development producer group’ in that it was constructed as part

of an internationally funded development project (see Chapter Four). Therefore, fair trade rules come into contact with a group with a different history and culture regarding social responsibility.

Arguably this situation represents an example of expectations of democracy and cooperation from fair trade rules generated in one part of the world conflicting with a context that is not conducive to employing such practices. This evidences a poststructural and postcolonial critique of development discourse making assumptions of others and other places (Ferguson, 1994) regarding issues such as local community social capital. The evidence from various sectors at Kasinthula suggests sites of mistrust, elite capture, and a lack of transparency exist in this postcolonial place that shape both uneven distributions of benefit and participation and levels of unwillingness regarding social responsibility toward others living locally.

Despite recent recognition, for instance by the FLO (2009a), the evidence and arguments in this chapter suggest more can be done to account for the characteristics of a context consisting of unable and unwilling agents. Those characteristics include multiple constraints on low income producers, sites of dependency, uneven governance geographies, and low levels of social responsibility culture (as defined by fair trade rules). Together with other factors presented in Chapters Four and Six, embeddedness in both global sugar production networks and an uneven postcolonial geography act as inhibitors towards some 'power over' empowerment aspects expected from fair trade relations.

## Chapter 8

### **Conclusions: challenges to fair trade and community empowerment**

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#### **8.1 Introduction**

This thesis has examined lived experiences of a Fairtrade certified producer group, and other actors located close to the group, to contribute to an emerging critical story of unequal fair trade experiences (Arce, 2009; Dolan, 2008 and 2010; Luetchford, 2008). In that process I have developed a new analytical framework and explored critical challenges to fair trade as a people-centred development approach such as assumptions regarding producer communities. This has revealed intended and unintended consequences of certification at a site of production. The concluding chapter collates the principal contributions to critical debates and fair trade knowledge under themes and arguments developed through the thesis.

To answer research questions set out in the introduction to this thesis, I have engaged with a wide range of literature, situating the research in intersections between postcolonial geography, development geography, and economic geography. In that process the thesis contributes to those intersections through the critical and analytical frameworks developed. Furthermore, the empirical material analysed contributes to gaps in fair trade knowledge regarding Malawi, sugar, and community empowerment. In particular, it foregrounds the influence of uneven and unequal social and political relations in a production place on shaping different lived experiences of fair trade.

The research has taken a grounded, mixed method, and participatory approach to incorporate contextual factors and the perspectives of those involved in sugar cane

production at Kasinthula. Material has been gathered from secondary sources and drawn on direct quotes, themes, and perspectives of a wide range of research participants. In that process I have given an opportunity for those often silenced to voice their perspectives and concerns in addition to native informant members of Kasinthula. This has enabled research of lived experiences and factors that influence variable fair trade impacts. In collecting and analysing primary material I have acknowledged (in Chapter Five) overseas research limitations regarding constraints of time, resources, bias, positionality, and intersubjectivity.

The arguments, contributions, and lessons generated from this research are discussed under three themes that represent challenges to fair trade and community empowerment approaches: problematising producer community; empowerment as luxury; and accounting for postcolonial places. I explore the important contributions from each of these before reflecting upon some implications for fair trade policy thinking.

## **8.2 Problematising producer community**

The thesis argues for a deeper critical exploration of assumptions and expectations embedded in the producer community concept and people-centred approaches. By revealing multiple producer accounts of fair trade experience the thesis has highlighted a need for further interrogation of the notion of community. This adds to an expanding literature that is critical of imaginations associated with employment of the social capital concept (Mohan and Stokke, 2000) to deconstruct assumptions of harmonious communities (Blaikie, 2006; Cleaver, 1999; Joseph, 2002; and Mayoux, 2000).

The critical framework developed in Chapter Two generated a politically engaged postcolonial reflection to explore challenges facing people-centred approaches in their desire to empower others. That framework drew upon post-Marxist and postcolonial literatures to deconstruct categories applied to others, such as producer community, and to highlight hierarchies and inequalities within unexamined categories. The challenges presented argue for a need to avoid essentialising and romanticising producer communities, blindness to social and political stratifications at the local level, and neglecting instances of exclusion and discrimination.

Empirical evidence regarding the extent to which these challenges were avoided since Fairtrade certification of KCGL was analysed using an original Postcolonial Agricultural Production Network (PAPN) framework constructed in Chapter Three. That framework facilitated a process to un-mask assumptions embedded in the concept of producer community to reveal a complex, uneven and unequal local institutional environment that shapes fair trade impact in different ways for different people.

For this case study this analytical approach foregrounds unintended consequences of deepening exclusions and inequalities in Kasinthula's production community (Chapter Six). Making visible the influence of position and hierarchies shows how lived experiences of Fairtrade by those involved in sugar cane production varies depending on levels of entitlement to land, connections to indigenous leadership, and incomes. More broadly, the PAPN framework employs a grounded approach to geographical analysis that can be applied in other contexts to explore the impact of the local in shaping outcomes of global interventions. This is achieved by incorporating a postcolonial reflection that requires attention to both a spatial perspective to deconstruct categories of others and other places, and a temporal perspective to highlight historical influences continuing in the present.

By un-packing the notion of producer community to highlight and explore horizontal inequalities, in Chapter Six I argue that the social and political context in which Kasinthula's members are embedded skews levels of participation and benefit toward those situated in positions of greater control and influence. This contributes to arguments emerging in recent critical fair trade literature. For instance, Arce (2009), Dolan (2010), and Luetchford (2008) argue for a need for more focus on local political economy issues such as social exclusion, otherwise there is a possibility of exacerbating socio-economic issues as found in my research. Furthermore, by foregrounding the relevance of place based inequalities such as uneven labour geographies, the PAPN framework assists in identifying reasons for gaps between expectations of empowerment interventions and uneven lived experiences.

In reality, fair trade actors have imperfect information and knowledge about the producers and communities that the movement is trying to empower. In this situation I

argue Fairtrade can be critiqued for some of the shortcomings levelled at other development programmes, in particular, for exporting a global manual (FLO standards) that contains ideals based upon values such as democracy and participation and hoping implementation of fair trade rules will be successful based on experience in other geographical contexts.<sup>144</sup> In this process fair trade is assuming knowledge of complex institutional environments of distant production communities that leads to shortcomings as unintended consequences, such as those highlighted in this research, including exacerbation of sites of exclusion and discrimination, particularly on the part of hired labour.

From such critique my research adds to calls for fair trade approaches to be more attentive to place-based specificities such as local social and political strata. For this and other research, the PAPN framework requires more account of the local, in particular embedded uneven local institutional environments. This thesis provides empirical evidence that supports arguments made by Cumbers et al. (2008) and Luetchford (2008) for a need to foreground the role of social relations of production in affecting who benefits and participates. Similarly Berlan (2008), Getz and Shreck (2006), McEwan and Bek (2009), and Pirotte et al. (2006) argue that reality in communities is much more nuanced than often assumed; therefore, there is room for more recognition of context and place-based factors that the PAPN framework foregrounds. Sites of production are complex places, not immune to social stratifications or inequalities, and increased knowledge of such factors can improve both academic analysis of fair trade (and other people-centred approaches), and the practice of fair trade in different places.

### **8.3 Empowerment as luxury**

In addition to problematising the concept of community, this thesis has explored definitions and expectations of empowerment found in both academic literature (for instance Dahl, 1998; Luttrell et al., 2007; Rowlands, 1997; Sen, 1999) and fair trade publications and discourse (FLO, 2009b; fair trade reference group). Despite frequent use of the term, definitions remain vague and contested. In reviewing definitions to date, for this thesis I have attempted to define it both conceptually (Chapter Two) and

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<sup>144</sup> For instance, some more successful accounts from some Latin American country coffee research (Paul, 2005; Ronchi, 2002; Utting, 2009).

empirically (Chapter Five). Recognising the challenges of seeking evidence of empowerment, I distinguished between empowerment as a process of achieving economic ‘power to’ impacts such as improved incomes, and social and political ‘power over’ impacts evidenced as improved levels of control and influence over matters affecting livelihoods.

At both individual and group levels, I presented in Chapters Six and Seven evidence of some producer empowerment impacts as envisioned through Fairtrade, but also highlighted inhibiting factors. All relate to the specific characteristics of Malawian society and sugar cane discussed in Chapter Four using the PAPN framework. Foregrounding inhibiting factors generates questions to challenge aspects of fair trade empowerment expectations as luxuries. These challenges are discussed below referring to three issues: first, the influence of position in local hierarchies and institutions generating uneven individual producer empowerment experiences; second, encountering unable and unwilling agents of social responsibility, foregrounding tensions between individual and community needs; and third, the situation of a tied-in dependent producer group unable to participate in value adding production or marketing activities.

### **8.3.1 Uneven producer empowerment**

From the perspectives of some producers interviewed, there is evidence of both ‘power to’ and ‘power over’ empowerment. Many farmers (as sugar cane plotholders) in particular mentioned improved financial power as a result of improved incomes and credit access as loans from KCGL since fairtrade certification (sections 6.4.1 and 7.2.2). Others expressed an inability to affect their livelihoods as a result of exclusion from fair trade processes and benefits to date (sections 6.4.2 and 7.4.2). Evidence of concentrations of wealth among a few contributes to arguments emerging in fair trade literature regarding the issue of generating islands of prosperity (Eberhart, 2006; Prieto et al., 2004).

From the secondary material presented in Chapter Four and producer community perspectives analysed, I argue that individual producer empowerment is a luxury in the sense that position in the local institutional environment directly affects ability to empower oneself. Incorporating analysis of an unequal and uneven producer

community showed that those expressing empowerment as improved livelihoods are producers in the most significant sites of governance from positions as plottolders, traditional authority leaders, and native informants to the FLO and FTOs. Those not holding such positions have been unable to participate or benefit. This adds to critical literature highlighting instances of elite capture (Kiely, 1999; McEwan and Bek, 2006) and challenges assumptions and stereotypes related to democratic and cooperative processes in other communities. Such findings suggest a need for further interrogation of community assumptions in fair trade to better target horizontal inequalities in empowerment approaches. In practice this could mean either greater prioritisation of ‘power to’ impacts on behalf of all producer members of KCGL or more focus on factors inhibiting ‘power over’ impacts for the most disempowered.

### **8.3.2 Social responsibility tensions**

I have presented the most significant technical element of the FLO model in the context of sugar cane as being the Fairtrade Social Premium (FSP) in the absence of a Fairtrade price for sugar. The governance of significant levels of FSP funds is entrusted to a group of ten KCGL producers. The locations of the distribution of wealth generated by FSP receipts depend upon the decisions of that committee. According to the rules of the FLO standards (FLO, 2009b), distribution should include contributions towards community development. By deconstructing a producer community in this thesis I have discussed a series of tensions related to this social responsibility aspect of producer empowerment through fair trade.

Analysing subaltern views in addition to those of native informants, in the context of a heterogeneous group of producers and local community, there were numerous sites of tension between individual wants or needs and community benefits. One site of tension was on the part of employees of KCGL who saw farmers benefiting from receipt of significant portions of FSP money, while their salaries and benefits remained largely unaffected. A second tension regarded a wider community of residents living in villages occupied by Kasinthula members who, despite seeing some project investment (such as boreholes), reported the majority of funds going to relatively few individuals. These participant perspectives of frustration and resentment further an argument to challenge assumptions of community and contribute to emerging debates regarding tensions between individual needs and self-



interests and expectations of willing common good responses by members of Fairtrade certified groups to meet some local community needs (Dolan, 2008; Jaffee, 2007; Murray et al., 2006; Ruben et al., 2009).

In addition to these tensions, those producers who are relatively more financially and politically empowered criticise Fairtrade rules that dictate a requirement to release extra income generated from their sugar cane sales (in the form of the FSP) when many producers are still unable to provide for themselves and their dependants in ways they would like. This tension was not always presented to me explicitly (reflecting my position as an outsider representing fair trade) but was upon analysis of use of FSP funds.<sup>145</sup> Contrary to rules of the FLO, sugar farmers were granting large sums to themselves rather than to the business or local villages.

Reviewing these tensions challenges imaginations and representations of willing philanthropic producer communities. Some individual examples of ability or willingness to assist others did emerge from participant perspectives, but overall more instances of inability or unwillingness were presented, including interpretations of the FSP as a social tax. Using a PAPN framework, this process creates space to re-think what can be delivered in terms of social and economic development and expectations placed on the community model to facilitate empowerment through fair trade.

### **8.3.3 Restricted producer group**

In addition to individual producer livelihood enhancements and social responsibility expectations associated with fair trade and producer community empowerment, a third element is an improvement in the ability of the small-scale producer group to enhance its returns from engagement in trade in global production networks. This was not an initial focus for this thesis but one that emerged and adds to evidence of the restrictive role of a constrained environment in which the Kasinthula scheme is embedded.

In Chapter Four, using the concepts of societal, network, and territorial embeddedness as part of a PAPN framework I reviewed nuances of global and local production

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<sup>145</sup> Tea farmers in my separate study (Phillips, 2009) more overtly expressed a frustration at being asked to act as local agents of social development when they themselves had not received any income changes. Generally sugar farmers did not express this tension as passionately since their incomes had been improved.

networks of sugar that exhibit different elements to those associated with fair trade networks researched to date. These include historical legacies of sugar cane production, uneven competition between sugar beet and cane production, and a highly politicised global regulatory environment. They represent a network of regulations and institutions to which small-scale producers have limited access to influence. Furthermore, in the case of sugar in Malawi, small-scale producers represent a small percentage of total sugar cane grown and have no access to own or control sugar processing and marketing; those elements remain in the hands of the one dominant multi-national, Illovo.

As fair trade moves into more commodities and countries it will encounter more forms of small-scale producer group structures and relations. Some groups will be more able than others to empower through value-adding activities.<sup>146</sup> In the case of Malawi and sugar there is little scope for KCGL to upgrade due to its tied-in dependent relations with Illovo and lack of possibility of investing in processing technologies. Dolan (2008, 2010) also highlights this emerging issue for fair trade and how such local production network relations inhibit forms of relational governance fair trade would like to enhance. In addition, I found this situation is exacerbated by a general lack of trust by some fair trade representatives in working with Illovo, further reducing the possibility of relational governance hoped for.

Since receiving Fairtrade status the management team of KCGL expressed more knowledge of the international fair trade network, other producer groups, and issues related to global sugar markets as a result of increased fair trade relations and marketing promotion. However, contributing to debates on knowledge and power, KCGL is inhibited in its ability to act on that knowledge to empower the group through processes such as upgrading as imagined through fair trade empowerment. Therefore, empowerment approaches should consider in more detail the sites at which a local institutional environment enables or constrains agency expansion and opportunities in addition to providing technical 'power to' attributes such as finance and market knowledge.

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<sup>146</sup> Referred to as a process of upgrading in value chain analysis.

## **8.4 Accounting for postcolonial places**

Early in this thesis I situated fair trade as a response to perceived injustices and inequalities in global trade and production networks. Sites of unfairness are traced back to legacies of historical regimes of practice in trade and development and continuing imbalances in governance and dependencies. At this global level the fair trade movement in its approach to empower low income producer communities is cognisant of an influential postcolonial context by looking to introduce a different set of rules into global trade of commodities. The principal argument of this thesis is that to enhance impact and limit unintended consequences from challenges facing fair trade outlined at the end of Chapter Two, a community empowerment approach needs to be more sensitive to the nuances of different postcolonial places.

To conclude, the local institutional environment of a PAPN presented in Chapter Four consists of embedded hierarchies and dependencies in Kasinthula and Chikwawa communities. Foregrounding such multi-scalar governance geographies and analysis of multiple low income producer perspectives has revealed a more contextualised understanding of differences between experience and expectation as Fairtrade standards and processes come into contact with specificities of commodity and place contexts. For this research the process has made visible a more complex (grounded) geography that reveals how and why fair trade is experienced and understood in contrasting ways by different people involved in sugar cane production at Kasinthula. The process of acknowledging diversity, revealing a more complex geography to focus on both vertical and horizontal inequalities, and reducing assumptions of others highlights the utility of a PAPN framework that can be applied to critical analysis of other commodity and place contexts.

## **8.5 Non-academic reflections**

In concluding the main themes and arguments of this thesis I have connected empirical findings to challenges and debates discussed after reviewing a range of literature related to trade and development. After constructing these themes and arguments I presented and discussed them with members of my CASE partner, Traidcraft. In the process of presenting a critical reflection I emphasised recognition of the contributions made by fair trade but stressed that it is not beyond critique. In

presentations and discussion I highlighted factors foregrounded by a focus on postcolonial geography such as:

- Viewing producer communities as contested and complex places
- Bringing local social and political issues into analysis
- Giving opportunity for more people involved in production to present their voices
- Acknowledging different positions from where people speak
- Focusing on issues of difference and hierarchies

Following that, I presented challenges facing fair trade from this and other critical research as outlined in this thesis. This included an argument that by reducing assumptions and incorporating greater cognition of uneven and unequal social and political relations within production places, the depth and breadth of fair trade impact could be enhanced. This led to conversations that generated reflections on possible areas to re-think and research fair trade approaches in light of challenges and complexities highlighted by this thesis. This section presents the principal areas for reflection that emerged.

First, it was argued that there are significant challenges in monitoring hired labour, especially migrant labour employed seasonally, and that Fairtrade standards alone do not sufficiently account for the nuanced issues regarding hired labour. This suggests scope for further research into hired (including migrant) labour contexts that fair trade engages with, incorporating consideration of the position and perspectives of hired labour in hierarchical, subordinate contexts, such as the one evidenced at Kasinthula, to purposively integrate employees into fair trade processes and benefits. Further research into intersections between fair trade and fair labour movements would contribute to this process.

Second, there was acknowledgement of a challenge for the FLO to give further consideration to attach different conditions to Fairtrade Social Premiums in different contexts. One proposed amendment is proportional sharing of FSPs to reduce potential ‘unfair’ distributions of funds to only one group of people. For instance, in a case such as Kasinthula, there could be a clause that insists upon certain percentages to farmers, permanent employees, and seasonal employees to distribute as a combination of additional income and funds for village projects.

Third, reflecting on issues highlighted related to social responsibility tensions generated some debate on the extent to which fair trade should interfere in local politics by creating committees such as the FPC or whether focus should only be on commercial relationship aspects. In some form it was acknowledged that fair trade, empowerment, and social responsibility expectations need to be defined and agreed in context, incorporating all producer perspectives and priorities. A future research agenda focussing on emerging regional standards of fair trade would contribute knowledge to the extent to which this acknowledgement is emerging in practice.<sup>147</sup>

Finally, discussing critical feedback regarding a lack of trust and engagement with other actors embedded in the local production network and community of Kasinthula, there was acknowledgement of space for more collaboration with other actors. Furthermore, it was suggested that FTOs could be clearer by acknowledging that they can only go so far in what they can deliver or support. Fair trade actors can raise issues, but if the movement is to remain serious and focussed upon support and poverty alleviation then that can only be delivered through personnel present to facilitate and support locally. That may be achieved through partnership with actors located at the site of production, supporting an argument of this thesis to broaden the definition of producer community to incorporate others in the community of interest. In this area there is a gap in fair trade research for more focus on multi-stakeholder approaches that incorporate partnerships with relevant commercial partners and local development actors.

To summarise, discussing findings and arguments with CASE partner members led to agreement that recognising complex geographies will lead to more relative definitions and expectations of people-centred empowerment approaches. This led to suggestions as to what the FLO should reflect upon from this research, including:

- The focus on poverty needs to return more centrally to the FLO agenda.
- A need for more facilitators locally in addition to auditors.
- Space to look at other certification models and look at what could be learnt in terms of getting a producer group to a level of organisation and understanding that would enhance Fairtrade processes before certification is granted. That may

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<sup>147</sup> The FLO is currently undergoing a major consultation that includes plans to implement regional standards (FLO, 2010).

help to mitigate unintended consequences. This suggests a future research agenda that could include further comparison of fair trade approaches to other direct and responsible trade initiatives.

## **8.6 Final Remarks**

The critical and analytical frameworks developed in this thesis have enabled research of lived experiences of fair trade to tell a different story regarding challenges facing people-centred development. A PAPN framework necessitates a reduction in assumptions of others, and instead foregrounds a need to un-mask uneven and unequal social and political relations. That process acknowledges local inequalities such as hierarchies and includes perspectives from those often silenced to present a more representative account of lived experiences and challenges facing fair trade. This extends the utility of the core concepts of a GPN framework (governance and embeddedness) by focussing on multi-scalar institutional environments of a particular postcolonial agricultural production network.

Using a PAPN framework to highlight specific relations related to both a place and a commodity reveals reasons for unintended outcomes of Fairtrade certification. Foregrounding embedded uneven geographies of asset distributions, positionalities, and labour relations provides explanations for variable lived experiences of fair trade. Furthermore, such grounded analysis presents challenges to the community empowerment concept such as considering desired empowerment outcomes as luxuries that cannot either be attained or afforded by all intended beneficiaries.

For fair trade this research suggests lessons for the future that the movement, in particular through Fairtrade certification processes, can learn from. Principally these relate to reducing assumptions of producer communities; increasing consideration of different starting positions of different producer groups and their members; and re-thinking rules and expectations associated with use of Fairtrade benefits such as the social premium. This research, in its contribution to a revised analytical framework and presentation of an underrepresented case study, suggests that meeting these challenges requires increased involvement of producer community members (landowners and non-landowners) in establishing fairer trade relations and rules of the game. More broadly it demonstrates that challenging imagined notions of community

using a PAPN framework can advance critical debate regarding efforts to empower others and provides a framework for analysis of other contexts that contain unique global and local institutional environments that shape experiences of people-centred development in different ways for different people.

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# Appendices

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## Appendix A: Calculation of EU sugar reference prices and world sugar prices

- The new reference price for sugar from 1<sup>st</sup> October 2009 = €335.00
- As importers will be required to pay at least 90% of that price, effectively the new price will be €301.50
- Converting that price into US\$ based on a US\$ to € exchange rate on 23.03.09:
  - €1 = US\$1.36
- At that rate €301.50 = US\$ 411.014 per MT for raw sugar
- In US cents this is 41 cents/kg or 18.59 cents/lb<sup>148</sup>
- This reference price is c.i.f.<sup>149</sup> which means the seller is paying all costs associated with freight, customs clearance, and insurance. According to Agritrade (2008) this adds 13% to the price for raw sugar.
- If we subtract 13% from 18.59 this equals 16.17 cents/lb f.o.b.
- The average world price for raw sugar for March 2009 = 13.06 cents/lb
  - (FT Feb 2009).
- Alternatively adding 13% to the world price to make it inclusive of c.i.f. the world price would be 14.75 cents/lb versus the new regime price of 18.59 cents/lb

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<sup>148</sup> 1kg = 2.205 lb

<sup>149</sup> For more on c.i.f. versus f.o.b. see <http://www.speedycargo.com/Text/1146077920515-1804/pC/1146077018046-5007/Resource-Center>

## Appendix B: List of Interviews

### One-to-One Interviews with Kasinthula personnel

Name	Date
Brian Namata, General Manager	27 <sup>th</sup> September, 2007 2 <sup>nd</sup> October, 2007 3 <sup>rd</sup> October, 2007 26 <sup>th</sup> October, 2007 26 <sup>th</sup> March, 2008
Charles Chavi, Trust Administrator	4 <sup>th</sup> April, 2008
James Chonde, Farm Manager Phase 1	25 <sup>th</sup> April, 2008
Clement Taibu, Farm Manager Phase 2	30 <sup>th</sup> April, 2008
Clement Mpenga, HR Manager	13 <sup>th</sup> May, 2008
47 farmer one to one interviews (F01 – F47)	April to May 2008
47 permanent employee interviews (PE01 - PE47)	April to May 2008
8 seasonal employee interviews (SE01 – SE08)	April to May 2008
Fairtrade Premium committee employee diaries	April to May 2008
Fairtrade Premium committee employee #1	5 <sup>th</sup> June, 2008

### Focus Group Discussion with Kasinthula personnel

Group No.	Name	Date
FGD1	Phase committee	29 <sup>th</sup> April, 2008
FGD2	Fairtrade Premium committee	22 <sup>nd</sup> May, 2008
FGD3	Seasonal employees #1	12 <sup>th</sup> May, 2008
FGD4	Seasonal employees #2	13 <sup>th</sup> May, 2008
FGD5	Worker committee	20 <sup>th</sup> May, 2008
FGD6	Permanent employees #1	22 <sup>nd</sup> May, 2008
FGD7	Permanent employees #2	22 <sup>nd</sup> May, 2008
FGD8	Female farmer #1	21 <sup>st</sup> May, 2008
FGD9	Female farmer #2	21 <sup>st</sup> May, 2008
FGD10	Male farmer #1	21 <sup>st</sup> May, 2008
FGD11	Male farmer #2	21 <sup>st</sup> May, 2008
FGD12	Chinangwa male #1	7 <sup>th</sup> May, 2008
FGD13	Chinangwa male #2	7 <sup>th</sup> May, 2008
FGD14	Chinangwa female #1	7 <sup>th</sup> May, 2008
FGD15	Chinangwa female #2	7 <sup>th</sup> May, 2008
FGD16	Mikanzo male #1	8 <sup>th</sup> May, 2008
FGD17	Mikanzo male #2	8 <sup>th</sup> May, 2008
FGD18	Mikanzo female #1	8 <sup>th</sup> May, 2008
FGD19	Mikanzo female #2	8 <sup>th</sup> May, 2008

### Interviews with Illovo personnel

Name	Date
Tom Wormald, General Manager, Nchalo plant	2 <sup>nd</sup> October, 2007
Don Davey, Finance Manager, Nchalo plant	27 <sup>th</sup> March, 2008
Iganatious Majamanda, Agricultural Manager, Nchalo	
Iganatious Majamanda, Agricultural Manager, Nchalo	11 <sup>th</sup> October, 2007
Ian Parrott, Financial Director, Limbe	10 <sup>th</sup> June, 2008

### Other one-to-one interviews

Name	Date
Fair Trade Reference Group:	
Catharine Howe and Rob Donnelly (Traidcraft)	26 <sup>th</sup> January, 2007
Marc Monserrat (Twin Trading)	11 <sup>th</sup> May, 2007
Doreen Chanje (Twin Trading)	28 <sup>th</sup> September, 2007
Catharine Howe and Joe Osman (Traidcraft)	7 <sup>th</sup> February, 2008
Joe Osman (Traidcraft)	12 <sup>th</sup> February, 2008
Marc Monserrat (Twin Trading)	15 <sup>th</sup> February, 2008
Rob Donnelly (Traidcraft)	19 <sup>th</sup> February, 2008
Towera Jalakasi (development consultant, Blantyre)	19 <sup>th</sup> October, 2007
Kate Prottey (sugar industry consultant, Blantyre)	19 <sup>th</sup> May, 2008
Christina Fielvard (trade and development consultant, Blantyre)	31 <sup>st</sup> March, 2008
Chikwawa District Assembly Officers	12 <sup>th</sup> May, 2008 11 <sup>th</sup> July, 2008
Chikwawa District Executive Committee	8 <sup>th</sup> May, 2008
Wilson Gondwe, Catholic relief Services, Chikwawa (NGO1)	5 <sup>th</sup> June, 2008 13 <sup>th</sup> June, 2008
Malawi Ministry of Agriculture, Lilongwe	4 <sup>th</sup> July, 2008
Dyborn Chibonga, NASFAM, Lilongwe	



## **Appendix C: Pilot Questionnaire for Kasinthula Cane Growers Ltd (KCGL) farmers**

Good morning, my name is David Phillips. I am from a university in the UK and I am doing some research. Thank you for agreeing to take part in this interview. We would like to ask you some questions that will help to understand the impact of fair trade on the Kasinthula farmers, employees, and nearby communities.

The aims are to help to understand how fair trade is working at Kasinthula; identify any issues relating to fair trade; and observe possible lessons for this and other fair trade projects. The results of this questionnaire will be completely confidential unless you are happy to have your name to appear in the document. If you do not feel comfortable answering any questions, please feel free to say so. Also, if you have any questions for me please feel free to ask them.

We would therefore encourage you to talk freely and make this an informal discussion.

The results of this questionnaire will be completely confidential unless you are happy to have your name to appear in the document.

Please provide accurate answers as best as you can. You will not be judged from your answers.

Interviewer name \_\_\_\_\_

Date of interview \_\_\_\_\_

Interview location \_\_\_\_\_

Interview number

## Introduction

Male

☐

Female

☐

What is your name? \_\_\_\_\_

Where do you live? \_\_\_\_\_

What is your main occupation? \_\_\_\_\_

What other occupation /s do you have? \_\_\_\_\_

What is the occupation of your spouse? \_\_\_\_\_

How many children do you have? \_\_\_\_\_

Who is the head of your house? \_\_\_\_\_

Who is your village headman? \_\_\_\_\_

Are you a Phase 1 or Phase 2 farmer? \_\_\_\_\_

How long have you been a member of Kasinthula Cane Growers? \_\_\_\_\_

Why did you become a sugar cane farmer? \_\_\_\_\_

How does one become a cane farmer? \_\_\_\_\_

What was your main source of income / occupation before Kasinthula? \_\_\_\_\_

## Physical capital (ownership)

- i. Do you own or rent a house? \_\_\_\_\_
- ii. What changes have you made to your house in the last 5 years? \_\_\_\_\_
- iii. Who owns the land on which you grow cane (interviewee, relative, government...)? \_\_\_\_\_
- iv. How much land is used to grow cane? \_\_\_\_\_
- v. How much other land do you own / farm? \_\_\_\_\_
- vi. What crops do you grow on the rest of your land? \_\_\_\_\_
- vii. Which of these crops do you grow to sell? \_\_\_\_\_
- viii. What did you grow before sugar cane? \_\_\_\_\_
- ix. How many hours do you spend on sugar plot per day? \_\_\_\_\_
- x. How many hours do you spend on subsistence production per day?(is maize priority) \_\_\_\_\_
- xi. What assets have you have been able to purchase with Fair Trade money? (e.g. productive assets like tools, basic goods) \_\_\_\_\_

## Financial capital

- i. If you are happy to tell me, how much do you earn? \_\_\_\_\_
- ii. What would represent a fair income to you? \_\_\_\_\_
- iii. How has your income changed over recent years? \_\_\_\_\_
- iv. How many dependents are reliant on your income? \_\_\_\_\_
- v. What do you spend your income from sugar on? (in percentages or amounts)

Family food	
Family health	
Family education	
Savings*	
Material assets	
Other (state what other items are)	

\* If the respondent has savings, ask them what they intend to use those savings for.

- vi. How many meals a day can your family have on this income? \_\_\_\_\_

- vii. How sustainable<sup>150</sup> would you say your livelihood is, and why?
- viii. From who are you able to access credit?
- ix. What is your opinion of the financial situation of Kasinthula Cane Growers Ltd?
- x. What do you think can be done to change the financial situation of KCGL?

#### Social capital

- i. What are the main development needs / priorities in your community?
- ii. In what ways can members of your community promote these needs to Kasinthula?
- iii. Which committee's, organisations, groups, and associations are you an active member of? \_\_\_\_\_
- iv. What is your role in those?
- v. What influence do you feel you have in community decision-making processes?
- vi. In what way do you feel your status in your village changed over the last 5 years?
- vii. What employment opportunities exist for people who are not in the sugar scheme?
- viii. Do you employ non KCGL labour? If yes, how many people? \_\_\_\_\_
- ix. What do you employ them to do?
- x. How would you describe relationships in your community between:
  - farmers and employees
  - farmers and non KCGL villagers (any tensions / clashes) :

#### Political capital

- i. What is Fair Trade (FT)?
- ii. Tell me what you know about Fair Trade hired labour standards
- iii. How is the Fair Trade committee elected?
- iv. What criteria do you use when choosing to elect someone to the FT committee?
- v. How many committee meetings have you attended? \_\_\_\_\_
- vi. How often do committees meet? \_\_\_\_\_
- vii. If you wanted to be nominated to be on the committee what would you do?
- viii. Overall, are the same people often members of the committee? \_\_\_\_\_
- ix. What is the Fair Trade premium?
- x. In your opinion, what should that money be used for? (maybe same as social Q.i)

#### Human capital

- i. Where is Kasinthula sugar processed?
- ii. Who does Illovo sell Kasinthula sugar to?
- iii. Tell me about any training you have received from Fair Trade Organisations (FTOs):
  - In what format was it delivered?
  - What were the subjects of the training? (e.g. Good Agri Practice, market info...)
  - What did you learn from that training that you did not know before?
  - What changes did you make in what you do?
  - How has that benefited you and others?
- iv. What training have you received from other organisations? (e.g. Illovo, Agricane)
  - In what ways was that training different to training delivered by Fair Trade Orgs?
- v. What are the benefits that Fair Trade has brought to you? (e.g. access to health, education, food, water, roads, etc)
- vi. Tell me about anything that you do differently now as a farmer since Kasinthula has been selling cane to Fair Trade?
- vii. What did you expect Fair Trade to do for you?

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<sup>150</sup> Distinguish between survival vs. short term planning vs. sustainable wage

- viii. What more would you like Fair Trade to do for you?
- ix. What things would you most like to be able to do in the next 5 years? (aspirations)
- x. What factors would enable or prevent you from achieving those aims?

**Thank you for your time and for taking part in this interview**

## Appendix D: Questionnaire for farmers

Good morning, my name is..... and I am working with David Phillips who is from a university in the UK and is doing some research on fair trade.

I would like to ask you some questions that will help us to understand opinions of members about the impact of fair trade on the Kasinthula employees, farmers, and the communities.

The aim is to help to understand how fair trade is working at Kasinthula. Also it will look to identify any issues relating to fair trade; and observe possible lessons for this and other fair trade projects. The number of fair trade projects in Malawi and other countries is increasing so it is important to identify how it is working for producers such as those at Kasinthula.

This is not a test so I would encourage you to talk freely and make this an informal discussion. If you have any questions for me please feel free to ask them at any time.

Thank you for agreeing to take part in this interview. I expect this will take a maximum of 45 minutes. The results from this questionnaire will be completely confidential.

Interviewer name \_\_\_\_\_

Date of interview \_\_\_\_\_

Interview location \_\_\_\_\_

Interview number

### Instructions:

*If there is no response, leave the question blank.*

*If indicated to prompt give a couple of suggestions.*

*Please write any interesting comments that associate answers along side boxes.*

*At the end of the interview:*

*Thank the respondent for their time and for taking part in the interview.*

*Re-iterate about confidentiality and what this information is for (as mentioned above)*

*Finally ask if the respondent has any questions or anything else to say.*

## **Introduction - Personal profile**

Male ☐

Female ☐

What is your name? \_\_\_\_\_  
How old are you? \_\_\_\_\_  
Where do you live (village and TA)? \_\_\_\_\_  
Are you married? \_\_\_\_\_  
How many live in your house? \_\_\_\_\_  
How many children do you have? \_\_\_\_\_  
How many people are dependent upon your income? \_\_\_\_\_  
Who is the head of your house? \_\_\_\_\_  
What is the name of your village headman? \_\_\_\_\_  
How long have you been a member of Kasinthula Cane Growers? \_\_\_\_\_  
Do you have any other occupation? If yes, what is it? \_\_\_\_\_  
Does your spouse have an occupation? If yes, what is it? \_\_\_\_\_  
What is the highest level of education that you have completed? \_\_\_\_\_

### **A. Social development: Community development and equality**

*Interviewer: seek evidence of impact on equality, community development, shifts in relations - transparency, democracy, relations, profile, respect, trust, influence, inclusion, participation, representation, giving a voice, self promotion*

#### ***Introduce the section:***

**“I am going to ask you some questions because I am interested in the impact of fair trade on community development and decision making processes”.**

#### **1) What are the main development needs or priorities in your community?**

(Multiple response possible)

- i) Clean water provision ☐
- ii) Electricity supply ☐
- iii) Medical facilities ☐
- iv) Housing facilities ☐
- v) Food security ☐
- vi) Schools ☐
- vii) Other ☐

If other, then what: \_\_\_\_\_

#### **2) Through whom can members of your community present these needs?**

(Multiple response possible)

- i) To the phase committees ☐
- ii) To the fair trade committee ☐
- iii) To the district commission ☐
- iv) To the village development committee ☐
- v) To the village headperson ☐
- vi) Don't know ☐
- vii) Other ☐

If other, then what: \_\_\_\_\_

**3) Which members of the community participate most in solving the issues facing the community?** (Multiple response possible – prompt if need to)

- i) Traditional authority leaders ☐
- ii) Phase chairmen ☐
- iii) Village headman ☐
- iv) Village development committee ☐
- v) NGOs ☐
- vi) Don't know ☐
- vii) Other ☐

If other, then what: \_\_\_\_\_

**4) In your opinion, who should be responsible for delivering development projects in your community?** (Multiple response possible)

- i) Government ☐
- ii) Traditional authority leaders ☐
- iii) Village headman ☐
- iv) Village development committee ☐
- v) Fair trade ☐
- vi) Don't know ☐
- vii) Other ☐

If other, then what: \_\_\_\_\_

**5) Are there any groups of people who are denied access to participation in your community decision processes?** Yes ☐ No ☐

**If yes, who:** (Multiple responses possible)

- i) Employees ☐
- ii) Other villagers ☐
- iii) Don't know ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**6) If you wanted to influence decisions affecting your community who would you talk to?** (Multiple response possible)

- i) Traditional authority leaders ☐
- ii) Village headman ☐
- iii) Village development committee ☐
- iv) Fair trade ☐
- v) Don't know ☐
- vi) Other ☐

If other, then what: \_\_\_\_\_

**7) To what extent do you think your opinion in your community is taken into account?**

- i) Never give an opinion ☐
- ii) Not taken into account ☐
- iii) Sometimes ☐
- iv) Most times ☐
- v) Always ☐

vi) Don't know / no response ☐

**8) Which groups of people does the fair trade committee compose of?**

(Multiple response possible)

i) Farmers ☐

ii) Employees ☐

iii) Both i and ii ☐

iv) Don't know ☐

v) Other ☐

If other, then what: \_\_\_\_\_

**9) How does someone become a member of the fair trade committee?**

(Multiple response possible)

i) Chosen by farmers ☐

ii) Chosen by employees ☐

iii) Everyone votes ☐

iv) Nominated by committees ☐

v) Don't know ☐

vi) Other ☐

If other, then what: \_\_\_\_\_

**10) How frequently do you vote to elect members?**

i) Every 3 years ☐

ii) Frequently ☐

iii) Once ☐

iv) Never voted ☐ (go to 13)

v) Other ☐

If other, then what: \_\_\_\_\_

**11) What characteristics do you look for when choosing to elect someone to the committee? (Multiple response possible)**

i) Good communication skills ☐

ii) Strong character ☐

iii) Patience ☐

iv) Trustworthy ☐

v) Wisdom ☐

vi) Charitable ☐

vii) Other ☐

If other, then what: \_\_\_\_\_

**12) What characteristics do you look for when removing someone from the committee? (Multiple response possible)**

i) If someone embezzles ☐

ii) Lack of transparency ☐

iii) Lack of trust ☐

iv) Other ☐

If other, then what: \_\_\_\_\_



**13) Overall, are the same people often members of the fair trade committee?**

- i) Yes ☐
- ii) No ☐
- iii) Other ☐

If other, then what: \_\_\_\_\_

**14) How often does the fair trade committee meet?**

- i) Once per week ☐
- ii) Twice per month ☐
- iii) Once per 3 months ☐
- iv) Don't know ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**15) In what ways does the fair trade committee consult you on issues about your community?**

- i) Never been consulted ☐
- ii) Only farmers consulted ☐
- iii) All Kasinthula members consulted ☐
- iv) Via village headman ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**16) From whom do you acquire knowledge about fair trade?**

- i) From fair trade organisations ☐
- ii) From the fair trade committee ☐
- iii) From phase committees ☐
- iv) Informally from friends ☐
- v) Don't know ☐
- vi) Other ☐

If other, then what: \_\_\_\_\_

**17) In what ways is knowledge about fair trade provided to your community?**

- i) Nothing provided ☐
- ii) People discuss in fields ☐
- iii) Farmers disseminate ☐
- iv) Fair trade committee disseminates ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**18) In what ways does the fair trade committee liaise with other community leaders?**

- i) Through village headmen ☐
- ii) Village meetings ☐
- iii) Not at all ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**19) Overall, who benefits most from decisions made by the fair trade committee?**

(Multiple response possible)

- i) The committee members ☐
- ii) Farmers ☐
- iii) Employees ☐
- iv) Everyone ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**20) To what extent do you feel the fair trade committee represents the interests of all members of Kasinthula and your community?**

- i) Completely ☐
- ii) Partially ☐
- iii) Not at all ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**21) In what ways do you think fair trade has helped your community to meet its needs? (Multiple response possible)**

- i) Provided electricity ☐
- ii) Housing materials ☐
- iii) Given boreholes ☐
- iv) Given water taps ☐
- v) Nothing provided ☐
- vi) Other ☐

If other, then what: \_\_\_\_\_

**22) What impact has your association with fair trade had on your ability to influence development in your community? (Multiple response possible)**

- i) No impact ☐
- ii) Able to offer ganyu ☐
- iii) Able to provide loans ☐
- iv) People listen to me more ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**23) How would you describe relationships in your community between:**

- i) Farmers and employees (any tensions / clashes, identify levels of trust)
  - i) No relationship ☐
  - ii) Good ☐
  - iii) Very good ☐
  - iv) Other ☐

If other, then what: \_\_\_\_\_

**ii) What impact has fair trade had on those relationships?**

- i) No impact ☐
- ii) Negative impact ☐
- iii) Positive impact ☐

**24) How would you describe relationships in your community between:**

- i) Kasinthula members and other villagers

- i) No relationship ☐
- ii) Good ☐
- iii) Very good ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

ii) What impact has fair trade had on those relationships?

- i) No impact ☐
- ii) Negative impact ☐
- iii) Positive impact ☐

## **B. Individual development: Capacity building and conditions**

*Interviewer: seek evidence of impact on capacity building - training, knowledge development, understandings, and transparency. Working conditions - collective bargaining, assets, equipment provisions.*

**Introduce the section:**

**“I am going to ask you some questions because I am interested in the impact of fair trade on knowledge development, training and working conditions”.**

**1) What do people around here think fair trade is? (Multiple response possible)**

- i) Trade to help everybody ☐
- ii) People who help to find markets ☐
- iii) Some money for development projects ☐
- iv) Organisation that buys at higher price ☐
- v) Organisation that helps farmers ☐
- vi) Rich helping the poor ☐
- vii) People who encourage members to do more ☐
- viii) Unity ☐
- ix) Don't know ☐
- x) Other ☐

If other, then what: \_\_\_\_\_

**2) Tell me what you understand about fair trade standards?**

- i) Farmers and employees should benefit ☐
- ii) Principles about use of money for the community ☐
- iii) Everybody should have a say ☐
- iv) Don't know ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**3) Do you know what the fair trade premium is?**

Yes ☐ No ☐

**If yes, what is the fair trade premium?**

- i) Money to buy things for farmers ☐
- ii) Money for development ☐
- iii) Don't know ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**4) What do you think the fair trade premium money should be used for?**

(Please rank the following based on responses and probe for further responses / options)

- |                 |     |               |
|-----------------|-----|---------------|
| Community needs | [ ] | (refer to A1) |
| Farmer needs    | [ ] |               |
| Employee needs  | [ ] |               |
| Other villagers | [ ] |               |
| Other           | [ ] | _____         |

**5) Do you receive any information about what happens to Kasinthula's cane?**

Yes ☐ No ☐

**If yes,**

- i) Where is Kasinthula sugar processed? \_\_\_\_\_
- ii) What happens to sugar after it goes to Illovo? \_\_\_\_\_
- iii) Who buys the sugar? \_\_\_\_\_

**6) Over recent years has access to information about Kasinthula's cane:(prompt)**

- i) Improved ☐
- ii) Stayed the same ☐
- iii) Deteriorated ☐

**7) Over recent years has access to information about sugar prices and markets:(prompt)**

- i) Improved ☐
- ii) Stayed the same ☐
- iii) Deteriorated ☐

**8) What information do you receive about the company plans of Kasinthula?**

- i) Nothing ☐
- ii) No transparency ☐
- iii) Some things not disclosed ☐
- iv) Re-planting programmes ☐
- v) Budgets ☐
- vi) Other ☐

If other, then what: \_\_\_\_\_

**9) Have you received any training from Fair Trade Organisations (FTOs)?**

Yes ☐ No ☐

**If yes,**

- i) What were the subjects of the training? (Multiple response possible)

- i) Use of funds ☐
- ii) Good agriculture practice ☐
- iii) Market info ☐
- iv) Fair trade ☐
- v) Sugar process ☐
- vi) Other ☐

If other, then what: \_\_\_\_\_

- ii) Who and how many participated? \_\_\_\_\_
- iii) In what format was it delivered? \_\_\_\_\_

iv) What messages or lessons did you take from the training?

**10) What training have you received from other organisations? (e.g. Illovo)**

- i) None ☐
- ii) First Aid ☐
- iii) How to grow cane ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**11) What, if anything, do you do differently as a result of training and / or information you have received?**

- i) Work harder ☐
- ii) Use less Kasinthula employees ☐
- iii) Produce better cane ☐
- iv) Nothing ☐
- v) Other ☐

**12) In what ways has that training benefited you and / or your community?**

**13) Do you participate in decision making processes on issues concerning Kasinthula?**

Yes ☐ No ☐

If yes, through which modes of communication do you participate?

- i) Through phase committees ☐
- ii) Through fair trade committee ☐
- iii) AGM ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**14) Which people participate most in decision making at Kasinthula?**

(Multiple response possible)

- i) Farmers ☐
- ii) Management committee ☐
- iii) Employees ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**15) To what extent has fair trade affected your level of participation in decision making at Kasinthula? (prompt)**

- i) Improved ☐
- ii) Stayed the same ☐
- iii) Deteriorated ☐

**16) What, if any, modes of communication are in place as a result of fair trade that affects your level or participation in decision making at Kasinthula?**

**17) What support do you receive from Kasinthula in terms of:**

- i) Benefits provided \_\_\_\_\_  
How has that support changed over recent years? (Prompt)

- i) Improved ☐
  - ii) Stayed the same ☐
  - iii) Deteriorated ☐
- ii) Equipment provision \_\_\_\_\_  
How has that support changed over recent years? (Prompt)
- i) Improved ☐
  - ii) Stayed the same ☐
  - iii) Deteriorated ☐
- iii) Working conditions \_\_\_\_\_  
How has that support changed over recent years? (Prompt)
- i) Improved ☐
  - ii) Stayed the same ☐
  - iii) Deteriorated ☐

**C. Economic development: Impact on livelihoods and opportunities**

*Interviewer: seek evidence of impact on livelihoods – income, fair income, asset bundle, ownership, product quality improvements; and opportunities - credit, capacity, diversification, and livelihood choices.*

**Introduce the section:**

**“I am going to ask you some questions because I am interested in impact of fair trade on your livelihood and on creating opportunities for you and your family”.**

**1) Who owns the land on which Kasinthula sugar cane is grown?**

- i) Farmers ☐
- ii) Government ☐
- iii) Kasinthula ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**2) How many meals a day can your household have on your income?**

- i) 2 x Day ☐
- ii) 3 x Day ☐
- iii) Other ☐

If other, then what: \_\_\_\_\_

**3) Do you get enough money from Kasinthula to meet the basic needs of your household? Yes ☐ No ☐**

**i) If no, how else do you cover for these needs?**

- ii) No other option ☐
- iii) Ganyu ☐
- iv) Crops at home ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**4) To what extent do you feel the money you earn represents a fair return for your efforts?**

- i) It doesn't ☐
- ii) It is fair ☐
- iii) Don't know ☐
- iv) Other ☐

If other, then what: \_\_\_\_\_

**5) Can you describe any changes to your income since Kasinthula has been selling sugar to fair trade markets? (prompt)**

- i) Large increase ☐
- ii) Small increase ☐
- iii) Stayed the same ☐
- iv) Deteriorated ☐

**6) Can you describe any changes to your ability to access credit since Kasinthula has been selling sugar to fair trade markets? (prompt)**

- i) No impact ☐
- ii) Hope to access ☐
- iii) Will access soon ☐
- iv) Have accessed for some years ☐
- v) Other ☐

If other, then what: \_\_\_\_\_

**7) What are you now able to do differently as a result of either changes to income or credit access? (Multiple response possible)**

- i) Diversify income options ☐
- ii) Purchase land ☐
- iii) Purchase livestock ☐
- iv) Grow/sell other crops ☐
- v) Save money ☐
- vi) Open a bank account ☐
- vii) Other ☐

If other, then what: \_\_\_\_\_

**8) Has your experience of fair trade been what you expected it to be?**

Yes ☐ No ☐

**If no, why not?**

**9) Compared to five years ago, do you feel that you now have greater power to make important decisions that change your life and livelihood?**

Yes ☐ No ☐

**If yes, what do you feel that you can do differently now to change your circumstances?**

**If no, what factors do you think are still preventing you from changing your circumstances?**

**10) How do you think being a member of a fair trade certified organisation can assist you further?**

## **Appendix E: Questions for seasonal employees discussions**

- 1) What are the main development needs of your community?
- 2) Through whom do you normally communicate these needs?
- 3) Do you have any representation to Kasinthula?
- 4) What do you know about the workers committee at Kasinthula?  
Any representation on the committee?
- 5) What else can you say about communication with Kasinthula?
- 6) What benefits do you receive from Kasinthula?
- 7) How have these benefits changed in recent years?
- 8) We understand that some of your villagers are farmers, correct?  
Please tell us what you think and understand fair trade is?  
And what benefits have come to your community?
- 9) In what ways have you been informed about fair trade and labour standards? What interaction is there?
- 10) How is your relationship with:
  - i) Kasinthula
  - ii) Farmers
  - iii) Other employees
- 11) Do you have anything further you would like to say about Kasinthula and fair trade?
- 12) Any questions?



## **Appendix F: Questions for KCGL farmer focus groups**

Thank you for returning to talk with us again. We would like to ask some questions and create an open discussion about some of the issues that were raised by farmers in the one to one interviews. As before this is not a test so I would encourage you to talk freely and make this an informal discussion. If you have any questions for me please feel free to ask them at any time. The results from this group discussion will be completely confidential.

- 1) In interviews farmers said that they would use fair trade money to develop:
  - a) Themselves and families – how?
  - b) Communities – how?
  - c) In what ways is the community being empowered?
- 2) The fair trade money that has been given directly to farmers, what have you used that money for?
- 3) Credit / revolving fund:
  - a) What percentage of premium money goes to the revolving fund?
  - b) Some farmers asked that the level of credit (loans from revolving fund) should be increased. If you had access to more credit what would you use that for?
- 4) If you were to be given the chance to be part of the budgeting committee for the fair trade premium what would be your priorities for that money? (Rank)
- 5) How do you communicate your requests to the fair trade committee?
- 6) Are your opinions taken into account by the committee?
- 7) Apart from the additional money that fair trade has brought to farmers, what else do you see as the impact of fair trade on farmers and Kasinthula? What else understand from fair trade?
- 8) Training:
  - a) Have you ever attended training that was funded or facilitated by fair trade?
  - b) What do farmers do differently now compared to five years ago?
- 9) What further training do farmers ask for and why?
- 10) What ambitions / aspirations do farmers have?
- 11) Do farmers feel that they have a greater responsibility for community development since the intervention of fair trade?
- 12) If so what do they do with that responsibility?
- 13) Anything else to say and any questions?

## **Appendix G: Village group discussions**

- 1) What are the main development needs of your community?
- 2) What do you think and understand fair trade is?
- 3) What are the changes that have occurred in your community due to fair trade?  
How have these changes affected your livelihoods?
- 4) In what ways do Kasinthula and fair trade interact with your community? How are community needs communicated to Kasinthula? What is the relationship like between the farmers and non farmers?
- 5) What more do you expect from fair trade?
- 6) Tell us what you know of phase three expansion?
- 7) Any other additional remarks?

## **Appendix H: Memorandum of Understanding**

BETWEEN: David Phillips, PhD Student  
AND: Research Assistant

### Duties

The research assistant will provide support for David Phillips in his research by conducting some or all of the following tasks: interviews, translation, transcription and data entry. Both parties will agree in advance of the particular requirements on daily and weekly bases. This may include short periods of work in the evenings to review or discuss the day's activity.

### Contract Amounts

David Phillips will pay the following rates to research assistants on a weekly basis:

1. Rates per day:  
2000 MKW per day for contracted research work  
1000 MKW per day for overnight accommodation (if required)  
500 MKW per day for lunch  
500 MKW per day for evening meal (if required)

Total: 4000 MKW per day

2. Rates per half day:  
1000 MKW per half day for contracted research work  
500 MKW per half day as meal allowance

Total: 1500 MKW per half day

### Additional Fees

Any transport costs incurred for travel to or from Chikwawa or Mulanje to Blantyre will be covered by David Phillips in addition to the above payments. Otherwise all transport will be provided by David Phillips.

Any mobile phone calls will be made by David Phillips who can be contacted and will return any calls.

All income will be tax free and paid in cash at the end of each contracted weekly period.

This agreement has been understood and agreed between the following signatories:

David Phillips  
PhD Student

Research Assistant